Austria

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Parallel to patents, Austria also offers protection of inventions via utility models. The chapter on Austria hence includes some remarks with regard to utility models, which – in general – are structured very similarly to patents, but have a few specialties which make them a valuable complement for protection of inventions.

(1) APPLICABLE LAW

1 Austrian patent law has its roots in the law of *privileges* which began in the sixteenth century. The first *privilege* of invention may be seen in a patent which was granted in 1560 by Emperor Ferdinand I for an invention allowing fuel savings by adding certain additives to wood and charcoal. Further acts are the (historic) Patent Acts of 1897, 1925 and 1950.

2 'Patent Matters' are regulated in the Austrian Constitution (Article 10 (1) lit 8 B-VG) and are in the competence of the Federal level (*Bund*). The current central pieces of legislation regarding technical inventions are the Austrian Patent Act of 1970 (APA, last changes by federal gazette Nr 81/2007), which has replaced previous legislation and the Austrian Utility model Act (Utility model Act, AUMA).

3 Apart from the Patent Act and the AUMA, other relevant laws are the Law to Introduce Patent Treaties (Patentverträge-Einführungsgesetz) which implemented European Patent Convention (EPC) patents and PCT applications (with the Austrian Patent Office (APO) as registering office) and Article 106 of the Universities Act (Universitätsgesetz 2002) which regulates employment inventions for university employees. Supplementary Protection Certificates are regulated in the Supplementary Protection Certificate (SPC) Act 1996 and the two applicable EU regulations.

4 Moreover, certain details are also included in the Patent Office Fees Act (Patentamtsgebührengesetz) as well as in the respective ordinances, such as the Patent Office Fees Ordinance (Patentamtsgebührenverordnung), the Procedural and Publications Ordinance (Verordnung des Präsidenten des Patentamtes über die Verfahren und die Publikationen im Bereich des Patentamtes), and the Ordinance on Partial Legal Capacity of the APO (Teilrechtsfähigkeitsverordnung). Austria has also enacted national legislation to complement the EU border detention provisions as set forth in the European Convension (EC) Product Piracy Regulation (1383/03/EC).

5 European unification of the law of inventions was mainly fostered by the EPC (European Patent Convention) as well as EU legislation such as, inter alia, the Biotech Directive (98/44/EC), the introduction of 'Bolar' provisions (via directives 2001/83/EC, 2001/82/EC) and the Enforcement Directive (2004/48/EC). Also, the Trade-Related Aspects of Intellectual Property Rights (TRIPS)-agreement was implemented into Austrian law via general transformation into national law (Federal Gazette Nr 1995/1).[1]

6 Apart from PCT and EPC, Austria is member of the Strasburg International Patent Classification, the Paris Convention for the Protection of Industrial Property, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. Austria has also signed the Patent Law Treaty, but it has not yet been ratified.

[1] Austrian Supreme Court 16 Jun. 1998, 4 Ob 146/98v - *Thermenhotel* L - ÖBl 1999, 98 = MR 1998, 277 (Walter) = SZ 71/101 = GRURInt 1999, 279 (*Briem*).

(2) VALIDITY

(2.1) GENERAL

(2.1.1) Patents

7 According to Section 1 Patent Act patents are granted upon request for inventions which are new (Section 3 Patent Act), which are not obvious to a person skilled in the Article with regard to the state of Article and which are susceptible of commercial application. These basic requirements for patentability are essentially corresponding to Article 52 EPC while already including the definition of Article 56 EPC with regard to the inventive step. For these provisions please refer to the chapter on the EPC. Application of the 'whole contents approach', i.e., taking into consideration the whole contents of prior applications, is limited to novelty (Section 3 Patent Act) and not for the question of inventive step (Section 1 Para 1 Patent Act). The inventive step is judged on its 'distance' from the current state of the art, non-obviousness for the person skilled in the Article and inventiveness.

8 The Austrian Courts are not legally bound by the EPO decisions or the applicable guidelines. Nevertheless the Board of Appeal decisions as well as the guidelines are usually taken into account. The courts and the APO will also usually follow the decision of the EPC Board of Appeal on inventive step unless new prior Article documents can be shown which have not been dealt with in the EPO proceedings.

(2.1.2) Utility Models

9 The most important difference between patents and utility models in Austria are set forth in Section 1 Para 1 of the Utility Model Act by granting a utility model upon request for inventions which are new (Section 3 Utility Model Act), which are based on an *inventive step* (see next paragraph) and are susceptible of industrial application and by Section 3 Para 4 Lit 1 Utility Model Act which sets a period of grace for prior disclosure by the applicant or any predecessors such as an assignor. Other than that, the Utility Model Act is similarly structured as the Patent Act, i.e., the 'whole contents approach' (taking into consideration the whole contents of prior Article documents for novelty) and novelty as regulated by Article 54 EPC are also applicable to utility models.

10 The important and central difference is the literal meaning of the term 'inventive step' in German. The Utility Model Act uses the words 'inventive step' while the German version of the EPC refers to a different (higher) level of inventiveness and could be translated from German to English as 'inventive activity'. As a protection of inventions, the AUMA also requires a certain inventive achievement, namely an 'inventive step'. The material quality of such inventive step can be 'lower' than necessary for patent protection.[2] Based on this distinction, the utility model is also referred to as 'small patent'. In practice, it is harder to attack due to the lower level of required inventiveness.

11 Further to differences in novelty and inventive step the Austrian utility model has other important particularities which make this IP-Right an interesting and important tool for protection of inventions and subsequent enforcement against infringements:

[2] Austrian Supreme Court 30 Jan. 1996, 4 Ob 6/96 – *Wurfpfeilautomat* – ÖBl 1996, 200.

- No examination: Applications for utility models are registered without further examination. Registration may – upon request – be also effected immediately, i.e., prior to completion of the search reports (Section 18 Utility Model Act).
- Duration of protection: Ten years (Section 6 Utility Model Act).
- The substantive (material) aspects of validity of a utility model show a further important difference: According to Section 1 Para 2 it is possible to protect logic program structures which are the basis of computer programs.

12 It is possible to derive utility model applications from patent applications (Section 15a Utility Model Act). This is applicable for national as well as EP and international patent applications where Austria is one of the designated states. Other than a patent application which has been transformed into a utility model application (Section 92b Patent Act) the utility model application which derives from a patent application does not replace the patent application as such. Section 15a Utility Model Act sets certain deadlines for such derivation (two months in case of withdrawal or final refusal of a patent application, six months after granting of the patent or eleven months after final decision on an EP in case no opposition has been filed or two months after a final decision on such opposition). Priority of the patent application can be claimed for the utility model.

13 Utility model applications may also be transformed into patent applications within six months from application. Such transformed application will have the registration date of the utility model application. Utility models which have already been converted from a patent application may not be re-converted to a patent application.

(2.2) PARTIAL INVALIDITY

14 The Patent Office is the exclusively competent body to decide on validity, which includes partial invalidity of patents and utility models. However it is important to note that Section 156 Patent Act gives the civil court the competence to decide this preliminary question itself. For details please see below at 5.4.4. The same also applies for partial invalidity of a patent or utility model.

(3) INFRINGEMENT

(3.1) STATUTORY PROVISIONS

15 The statutory provisions for infringements are Section 22a of the Patent Act which lists the possibilities of a patent owner to exclude others by virtue of the patent and Section 4 of the Utility Model Act which does the same for utility models. Both Section 22a Patent Act and Section 4 Para 2 Utility Model Act specifically mention the protocol on the interpretation of Article 69 of the EPC as applicable to these Austrian intellectual property rights.

16 Certain further effects and restrictions, in particular with regard to biological material are set forth in Section 22b and 22c Patent Act and Section 2 Para 3 Utility Model Act.

17 A right of prior use is regulated in Section 23 Patent Act and Section 5 Utility Model Act (see below 4.3). Finally the effect of patent protection is excluded for vehicles which are temporarily brought into Austria (Section 26 Patent Act, Section 4 Para 3 Utility Model Act). This rule corresponds to Article 5ter of the Paris Convention.

(3.2) WHICH ACTS CONSTITUTE DIRECT INFRINGEMENT?

18 According to Section 22 of the Patent Act a patent confers to its owner the exclusive right to produce the subject of the invention on a commercial scale, to put it on the market, to offer it for sale or to work it or to import or to own it for these purposes. The effect of the patent does not extent to studies or experiments and the resulting practical requirements in so far as they are necessary to achieve pharmaceutical market authorization, approval or registration for bringing into circulation. For details on this 'Bolar' provision refer to 4.1 below.

19 If the patent has been granted for a process, it shall be effective also in respect of the products manufactured directly by that process (Section 22 Para 2 Patent Act).

20 The parallel provision for utility models is Section 4 Utility Model Act according to which the utility model shall vest exclusive authority in the utility model owner to produce the subject of the invention industrially, to put it on the market, to offer it for sale or to work it or to import it or to own it for these purposes. In case the utility model has been granted for a process, the utility model shall also be effective in respect of products manufactured directly by that process.

21 A patentee with a patent which is valid in Austria may also file a general border detention application according to the Austrian Product Piracy Act and the EC Product Piracy Regulation (1383/03/EC). Such application obliges customs authorities to cease infringing goods and to inform the patentee or its representative of such seizure to make it possible to initiate further measures against the infringement. While the EC Product Piracy Regulation is highly effective in trademark matters it is somewhat more complicated for customs authorities to 'see' patent infringements. In practice it is advisable to inform customs authorities in detail via black and white lists about possible infringers and to submit detailed evidence and/or means to identify infringing goods easily.

22 The provisions with regard to patents are in line with Article 28 TRIPS. Austria has also implemented the biotech directive (98/44/EC).

23 Sec 155 Patent Act shifts the burden of proof for new products of similar character/condition as the result of the patented process to the alleged infringer by setting a fiction of being produced according to the patented process until proof of the contrary.

(3.3) SCOPE OF PROTECTION

24 According to Section 22a Patent Act, the scope of protection of the published registration of the patent is determined by the claims. The description and the drawings are serving to interpret the claims and shall be consulted for interpretation. The protocol on the interpretation of Article 69 of the EPC shall be applied correspondingly. Section 22a Para 2 further explains that during the time frame until grant of the patent the scope of protection of the patent application is determined by the latest requested claims which are included in the publication (according to Section 101 Patent Act). However, the patent determines in its granted or upheld wording (i.e., after nullity or opposition proceedings) retroactively the scope of protection of the application in so far as the scope of protection has not been broadened (compared to initial disclosure of the invention). This rule is important since the patent applicant has already proprietary (i.e., financial) claims with publication of the patent application (see 5.3.1). In case the patent is subsequently granted in a different version, this version determines the scope of protection of the application.

25 Section 4 Utility Model Act is similar to Section 22a Patent Act in so far as the scope of protection of a utility model is also determined by the content of the claims. Again, description and drawings serve to interpret the claims and the protocol on the interpretation of Article 69 of the EPC is applicable correspondingly. Since utility models are not examined, protection of the utility model starts with the day of publication (with priority from application).

26 A differentiation between characterization of the invention and scope of protection of a patent is in general unknown to Austrian law, i.e., the characterization of the invention is part of the scope of protection.[3] The protocol on the interpretation of Article 69 of the EPC is generally applicable to the scope of protection of patents and utility models, not only in case of ambiguity.[4] Determination of the scope of protection in light of the protocol on the interpretation of Article 69 of the EPC shall be between fair protection for the patentee while granting a reasonable degree of certainty for third parties. The objective scope of the invention is based on the objective meaning of the patent and must be able to be taken from the patent by a person skilled in the art. Scope of protection of a patent must be reasonably determinable for any third person.[5]

27 Words and the language use in general shall be interpreted in its usual lingual meaning which may be found by using encyclopedias. In case the description would offer a certain interpretation, such interpretation will be used even if uncommon to the general language.[6]

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[3] *Weiser*, Patentgesetz 2005, 158; Nullity Department 17 May 1984, PBl 1985, 197 with reference to Nullity Department 1 Apr. 1920, PBl 1921/144.

[4] Austrian Supreme Court 21 Oct. 2003, 4 Ob 178/03k – *Amlodipin* – ÖBl 2004,83.

[5] Ibid.

[6] Supreme Patent and Trademark Senat 12 May 2004, PBl 2004, 136; Nullity Department 28 Jan. 1992, PBl 1993, 9.

Since patent claims are aimed at a person skilled in the Article and are hence also to be determined having such skilled persons in the Article in mind. It is not relevant what has actually been invented but for which invention protection has been sought.[7]

28 Literal infringement of a patent requires that all features contained in the respective claim are realized in the embodiment. Austrian patent law will usually not protect single elements or parts of an invention even if they could have been registered separately.[8] The case law on question of partial infringement and the tendency to deny a partial protection shifts importance to the wording of the claim. Prior to introduction of Section 22a which explains how to determine the scope of protection, Austrian case law generally concentrated on the essentiality of a certain element, i.e., by basing the test on the essential elements. Consequently it is decisive whether an infringing embodiment at least realizes all essential elements of the claim or at least equivalent elements.[9] While a literal infringement will usually hence need realization of all elements of the claim an analysis of the essential elements of the claim is important: In case of realization of all essential claims, an infringement is at least possible, while non-realization of an essential element will usually lead to non infringement. Essentiality of an element is given in case such element is indispensible to fulfill the problem and is an element of the basic idea of the invention.[10] Insignificant elements are elements of negligible and subordinate nature, which are evidently in no connection with the goal of the invention or which only refer to self-evidence and economically sound additions of the invention without particular meaning.[11]

29 In practice the question often arises how to determine the scope of protection in case of ranges given in the patent claims (like dimensions, ranges or parameters). The outer borders of the scope of protection will be limited by such ranges. It has been held, that also the ranges and center of gravity in such ranges can be compared (i.e., range of the infringing embodiment and range of the patent claim).[12] The order of the elements of a patent claims are irrelevant for its protection.

(3.3.1) Doctrine of Equivalence

30 Section 22a APA does not limit the scope of protection to literal infringements, but may also be used to claim protection with regard to equivalent infringements.

31 At the outset (and as an important defense) Austrian Patent Law has adopted the so called 'Formstein'-defense which has originally been developed in Germany (see Germany Section 37).[13] According to this defense the scope of protection of a patent cannot cover known prior Article or at least features obvious with regard to prior Article which henceforth do not constitute an invention. For this defense, the prior Article at the date of the patent application is to be taken into consideration.

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[7] This is regularly confirmed by Supreme Court cases such as Austrian Supreme Court 35 Nov. 1997, 4 Ob 348/97 y; *Friebl/Pulitzer*, Österreichisches Patentrecht,[2] 190f.

[8] Supreme Patent and Trademark Senate 29 Jan. 1992, PBl 1992, 34; *Friebl/Pulitzer*, Österreichisches Patentrecht2 190f; Austrian Supreme Court 22 Apr. 1986, 4 Ob 319/86, ÖBl 1986, 147.

[9] *Weiser*, Patentgesetz 2005, 163.

[10] *Weiser*, Patentgesetz 2005, 164.

[11] *Weiser*, Patentgesetz 2005, 164.

[12] Nullity Department 13 May 1998, PBl 2000, 180.

[13] Which decision is regularly also cited in Austrian case law such as Austrian Supreme Patent and Trademark Senate 12 Nov. 2003, PBl 2004, 74.

32 Beyond the known prior Article the scope of protection does not only comprise the explicitly stated elements but also equivalent means. Preconditions for existence of an equivalent which is covered by the scope of protection of the patent is the same inventive idea or spirit of invention. An equivalent embodiment is present in case a person skilled in the Article on the date of priority of the patent who is equipped with the general knowledge considering the state of the Article without any further inventive activity would recognize the exchanged elements as equivalent means of solution compared to the elements of the patent claims. Assessment of the question of equivalence must avoid an ex-post-view.[14] Equivalence is also inapplicable in case the technical problem / solution approach is completely different.[15] It also does not consider an equivalent solution to use means which have the same effect but essentially changed the protected solution or contradict the general idea of the invention.

33 Under Austrian patent law, the question of equivalent infringement is a question of law.[16] As explained above, equivalence is judged by testing whether the exchange of a specific element is an inventive activity which always leads to leaving the equivalence. For example an impaired construction/design or an improved version will not automatically exclude an infringement. On the contrary an impaired version will usually be a patent infringement while even certain improvements do not automatically exclude patent infringement.[17]

(3.4) INDIRECT INFRINGEMENT

34 Section 22 Para 3-5 have been implemented in the Austrian Patent Act with the 2004-amendment with the goal to facilitate enforcement of the patent for the patentee. The implementation is modeled on Section 10 of the German Patent Act (see Germany Section 40-45). It allows the patentee not to limit enforcement against direct infringers. The patentee may also enforce against suppliers of means of infringements and hence to be able to attack infringements at the source. Section 22 Para 3 gives a patent the further effect that a person may not – without consent of the patentee – offer or supply means relating to an essential element of the invention for using the invention in case this person knows or it is obvious from the circumstances that these means are appropriate and dedicated to be used for making use of the invention. Already the wording of this Section limits indirect infringement to the sale and offer of these means.

35 It will not be considered an indirect infringement in case the supplier does not know or in cases where it is clearly not obvious that the recipient of the means intended to use them to produce embodiments of the invention or that the product is suitable for that specific use. Also, Section 22 Para 4 excludes means which are generally available in commerce unless the infringer intentionally causes the recipient to directly infringe the patent by those means.

36 Section 22 Para 5 declares even persons which do not use the invention in commerce (and would hence be exempt from patent infringement) persons who are not authorized to

[14] Supreme Patent and Trademark Senate 10 Sep. 1986, OP 1/86 – *Rahmenabschnitt* – PBl 1987, 97 = ÖBl 1987, 63.

[15] Supreme Patent and Trademark Senate 27 Sep. 2000, OP 4/99 – *Wasserundurchlässige Dichtungsmatte* – PBl 2001, 100.

[16] Austrian Supreme Court 21 Oct. 2003, 4 Ob 178/03k – *Amlodipin* – ÖBl 2004, 83.

[17] *Weiser*, Patentrecht 2005, 171.

use the invention. Accordingly supply or offering even to such persons will make the indirect infringer liable for patent infringement.

37 Due to the parallel wording and the explicit indication in the Austrian legislative history that the indirect infringement has been modeled on Section 10 of the German Patent Act, it can be expected that the decision of the German Supreme Court 'Flügelradzähler'[18] could act as a guide line for the main problem which arises from the question of indirect infringement: Since not all means come into question for indirect infringement, it is essential to determine the relevant means which relate to an essential element of the invention and are hence constituting indirect infringement. From the cited German case such means will be capable of being combined with an essential element of the invention to realize the function of the protected invention. Means which are generally necessary for using the invention but do not contribute in particular to realizing the invention could hence be excluded.

38 Indirect infringement is also available for owners of utility models (Section 4a Utility Model Act).

(3.5) ADDITIONAL APPLICATION OF CIVIL LAW OF UNLAWFUL ACT

39 Subsidiary application of e.g., the general norm against unfair competition of Section 1 Unfair Competition Law requires additional special circumstances of such behavior. In case a certain use of a patent is allowed, competition law cannot be used to prohibit use absent of further circumstances.

40 However in presence of the necessary requirements, for example all requirements for slavish copying, unfair competition law may be invoked. Likewise a particular behavior of an infringer of a patent may additionally also be an unlawful act under other civil law provisions. Since however the Patent Act and Utility Model Act are the exclusive remedies for patent and utility model infringements, such further unlawful acts have to be determined under the applicable laws.

41 In case somebody arrogates protection of a patent, the commerce will usually expect certain special advantages of the protected good or the protected process.[19] It is hence a violation of Section 2 of the Austrian Unfair Competition Act (prohibition of misleading statements in commerce) to claim existence of patent protection for a certain good or process or the geographic and/or substantive scope of protection of a patent if in fact the patent does not exist or does not extend to the respective geographic and/or substantive scope. Section 165 Austrian Patent Act sets forth that anybody who marks goods in a way which leads to the impression that these goods are protected by a patent is obliged to render information upon request on which patent this is based. A similar provision is included in Section 43 of the Utility Model Act.

[18] German Supreme Court GRUR 2004, 758, 4 May 2004.
[19] Austrian Supreme Court 3 Dec. 1991, 4 Ob 121/91, ÖBl 1992, 126 = ecolex 1992, 351 = PBl 1992, 170.

(4) FURTHER DEFENSES TO INFRINGEMENT

(4.1) EXPERIMENTS

42 Generally speaking, pure experiments or scientific use will not be covered by the exclusive right of the patentee. Likewise experiments that are generally aimed at improving the Article cannot be forbidden by a patent owner.

43 The filing of a request for a market authorization of a pharmaceutical will not be regarded a patent infringement absent of submitting a sample or otherwise producing such pharmaceutical (or stocking it for purposes of selling it etc.).[20] Application for market authorization – which procedure will take a certain amount of time – shall not permit an 'in fact' extension of patent protection.

44 Austria has implemented the so-called 'Bolar' provision in 2005 which implemented Article 10 Para 6 of the regulation 2001/83/EC and Article 13 Para 6 of the regulation 2001/82/EC. This experimental use exception limits the rights conferred by a patent with regard to studies or trials as well as the consequential practical requirements, in so far as they are necessary for obtaining an authorization, approval or registration to market under pharmaceutical law.

45 According to the legislative history, the Bolar provision was necessary to allow research on generics in Austria since several member states of the European Union have already implemented the Bolar provision and would hence attract research on generics. Likewise – according to the legislative history – the Bolar provision will not pose disadvantages for innovative pharmaceutical industry since such studies and trials are already taking place in states where patent protection has never been available or has expired. The absence of a Bolar provision is hence no protection from concurrence. According to the legislative history, the aim of the Bolar provision was to end the controversy whether such research and experiments would have to be qualified as acts of patent infringements.

46 The most relevant question of course is how the courts will define the requirement of necessity of the studies and trials: The exemption itself as well as the legislative history do not offer any guidelines. In particular, it remains unclear to what extend studies and trials will be 'essential' in the meaning of Section 22 Para 1 Patent Act. It seems possible to distinguish between early stage and late stage studies and interpreting the Bolar exemption to cover (and hence exclude from scope of patent protection) only late stage trials which are directly necessary for market authorization under pharmaceutical law. So far, there is no case law available.

47 While trials and experiments seem to be excluded from patent infringement it is important to note that application to enter the system of reimbursement (red, yellow and green box system, which is different from the system of market authorization) will usually be considered as patent infringement: Under Austrian social security laws and applicable regulations, the application for inclusion of a pharmaceutical to the list of medications which are reimbursed by the social security system (where nearly all persons are insured – compulsory insurance) needs to be accompanied by a confirmation of the ability to deliver the pharmaceutical in certain quantities. Otherwise, the application needs to be denied. It is generally expected

[20] *Gamerith*, Der vorbeugende Unterlassungsanspruch, ÖBl 2005, 52.

that such application will hence be considered a patent infringement even if no pharmaceuticals are actually delivered or sold.

(4.2) COMPULSORY LICENSES

(4.2.1) General

48 The Austrian Patent Act explicitly enables a patent owner to grant third persons voluntary licenses (Section 35 Patent Act). In the context of licensing the Patent Act also regulates compulsory licensing in Section 36 and 37 Patent Act. The provisions have been amended by implementing the Biotech Directive (98/44/EC) and are also in accordance with Article 31 TRIPS. Prior versions – which also allowed compulsory licenses for the military and state monopolies as well as rules regarding expropriation for the state – were abolished, partly due to non-compliance with TRIPS.

49 Historically it is interesting that the compulsory license was already discussed in 1870 as it was suggested that such compulsory license would foster the development of the industry already during the duration of protection of the patent. However, it was strongly argued that such compulsory license would render patent protection irrelevant. The market for the patentee could be destroyed by license holders, for example by producing goods of very minor quality. The compulsory license was hence already at its outset structured as a conditional and limited license.

50 The provisions allow compulsory licenses only under very specific circumstances. In practice, the relevance of the provisions is rather limited and case law is rare. The most recent published decisions with respect to Section 36 Patent Act date from 1972 and 1976 respectively.[21]

(4.2.1.1) In the General Interest

51 Section 36 Para 5 allows a compulsory license to a patented invention in the public interest. This compulsory license is available for every business and allows non-exclusive license to the invention. The respective claim of the federal government (i.e., a compulsory license for the state) is not bound to a specific business.

(4.2.1.2) Non-Genuine Use of the Patent

52 Section 36 Para 4 allows a compulsory license in case a patented invention in Austria is not genuinely used. Genuine use may also be achieved by import. The compulsory license will not be granted in case the patent owner has already undertaken everything necessary for use of the invention. Compulsory licensing may be averted in case the patent owner can show that use of the patent within Austria is not or not in a larger scale reasonable due to problems which conflict with such use.

(4.2.1.3) Dependency

53 The general rule for dependent patents and compulsory licenses for such dependent patents is set forth in Section 36 Para 1: In case a patented invention can not be used without

[21] Supreme Patent and Trademark Senat 26 Jun. 1972, 4 Ob 1/72; Austrian Supreme Court 5 Dec. 1976, 4 Ob, 350/76.

infringing an older valid patent the owner of the younger patent has a claim to a non-exclusive license to the older patent. Such license will only be granted in case the younger patent shows an important technical improvement of considerable economic importance (compared to the older patent.

54 The owner of the older patent has a claim to a cross-license to the younger patent. This rule has been implemented to ensure that the compulsory license will not deprive the owner of the first patent of all of his profits for the invention in case the younger patent corrects certain defects or shortcomings of the older patent and hence raises its exploitability. The owner of the younger patent could squeeze out the owner of the older patent and monopolize exploitation of both patents.

55 Art 12 Para 1-3 of the Biotech Directive (98/44/EC) has been implemented in Section 36 Para 2 and 3 Patent Act. These provisions enlarge the circle of compulsory licenses. Plant variety rights are defined in the Austrian Plant Variety Right Act as well as the Regulation 2100/94 regarding plant variety rights. Where a breeder can not acquire or exploit a Plant Variety Right without infringing a prior patent he may apply for a compulsory non-exclusive license to this patent. This license will be granted insofar as the plant variety is an important technical improvement of considerable economic interest compared to the protected invention and only as far as the license is necessary for exploitation of the plant variety to be protected.

56 In case of such compulsory license for the owner of a younger biotechnological invention to a prior protected plant variety right, the owner of the prior right is entitled to a non exclusive cross-license for exploitation of the younger patent. Cross-licenses for Plant Variety Rights are regulated in the Plant Variety Act.

(4.2.2) Procedure for the Grant of a Compulsory License

(4.2.2.1) General Interest

57 According to Section 37 Para 1 the APO decides in case the patent owner denies the compulsory license to the applicant. The applicant for such compulsory license needs to demonstrate having applied unsuccessfully to the holder of the patent or the Plant Variety Right to obtain a contractual license in adequate period of time to adequate and usual commercial terms. In case of grant of such compulsory license the APO needs to set an adequate compensation by taking into consideration a commercial value of the license. Further terms may be set as may be necessary by the circumstances of the specific case. Term and scope of the license shall predominantly allow supply to the domestic market and are to be limited to the purpose which made the compulsory license necessary. In case of semi-conductor technology the license can only be granted for public, non-commercial use or to stop anti-competitive conduct which has been found in court or administrative proceedings.

58 In state of emergency, Section 37 Para 3 allows not having to demonstrate to have applied unsuccessfully to the holder of the patent to obtain a contractual license. Same is applicable for circumstances of utmost urgency. The APO will grant preliminary license until the circumstances have changed.

(4.2.2.2) Non-Genuine Use, Dependency and Plant Variety Rights

59 Section 37 also regulates the procedure for the grant of a compulsory license for the cases of non-genuine use, dependency and plant variety rights. The rules are additional to

the general rules as described in Section 4.2.2.1. above. An application for granting of a compulsory license in case of non-genuine use can only be made after expiration of the latter of (1) four years from patent application or (2) three years from publication of grant of the patent to which the compulsory license is requested.

60 A compulsory license in cases of dependency may be cancelled in case those circumstances which lead to its grant have changed and will most likely not occur again. In any case, the interest of the owner of the compulsory license will also be taken into account. Again, the decision is taken by the Patent Office according to the same rules as nullity actions against patents.

61 In proceedings for grant or cancelation of licenses to plant variety rights the senate of the Nullity Department of the Patent Office shall comprise one member with special technical knowledge and the senate at the Supreme Patent and Trademark Senate shall be comprised by at least one member with legal knowledge and one member with special technical knowledge which shall be named by the Federal Ministry for Agriculture Environment and Water in accordance with the Federal Ministry for Transportation, Innovation and Technology.

(4.3) PRIOR USE

62 According to Section 23 Para 1 Patent Act the scope of protection of a patent does not apply against a person who has already used the invention within Austria at time of application (or the respective priority date) in good faith or who has commenced implementation of his intention to do so. Accordingly such person has – notwithstanding the patent – the right to continue to perform such acts which are otherwise protected by the patent. This is also commonly referred to as 'right of prior use' as opposed to prior use in public which can destroy novelty of the patent or make the inventive step available to the public and subsequently obvious to the person skilled in the art. The invention which is covered by the right of prior use may also be an employee invention, i.e., a right to prior use by the employer.[22] The employer needs to be in good faith. Such good faith will regularly be missing in cases where the employee has offered the invention to the employer who has rejected the invention.

63 The burden of proof is on the applicant to demonstrate that full possession of the invention at time of application of the patent was owned.[23] The applicant is also obliged to show in detail use of the invention. Discontinuation of use will only lead to loss of the right to prior use in case the experiments have been finally abandoned and not in cases where the invention has already been possessed and use has only been delayed due to technical or other reasons or the prior user has decided to add certain features which development took longer.[24] Full possession of an invention needs to comprise that a person skilled in the Article can derive all relevant elements of the invention from the prior use.

64 Cases where the prior used objects are not suited for practical application are irrelevant as long as the prior used subject matter is consistent with the problem and solution of the patent. Generally, the question whether the necessary full ownership of the invention can be shown will be tested parallel to the infringement test (Section 22a Patent Act), i.e., full

[22] Supreme Patent and Trademark Senat 14 Oct 1981, Ob 2/81 – *Pumpe* – PBl 1982, 83 = ÖBl 1982, 64.
[23] Nullity Department 3 May 1984, N15/82 – *Fensterverglasung* – PBl 1986, 134 = ÖBl 1986, 96.
[24] Nullity Department 20 Jan. 1994, N1/89 – *Synchronringe* – PBl 1995, 171 = ÖBl 1996, 19.

ownership of the invention is only present in case the object of prior use will fall under all elements of the patent claim. For example no right of prior use would exist to a patent claim which comprises two elements which only provide the patented effect in combination in case the object which is subject to prior use only shows one of these elements.[25] However partial rights of prior use are possible in case the object of prior use fulfills certain specific patent claims which may be seen as an invention for themselves. Hence a partial right of prior use is not possible with regard to single elements of a patent claim or a sub-claim without the main claim. The prior user can hence only acquire a right to prior use for parts of the patent which could also be infringed independently.[26]

65 Another necessary prerequisite is good faith of the prior user. Good faith cannot be claimed in case the prior user had knowledge of the patent or patent application. However there is no general obligation to constantly obtain information whether or not one could be affected by a patent application. Procedurally, the patent owner needs to show the circumstances according to which the prior user has not acted under good faith. Such circumstances will regularly be found in breach of confidentiality or non-disclosure agreements.

66 As already set forth in the language of the law, the right to prior use is strictly limited to the borders of Austria. Any activities which have not taken place on Austrian territory are irrelevant for that provision.

67 According to Section 23 Para 2, the prior user is only entitled to use the invention for the necessities of his own business in his own or external facilities. In order to avoid duplication of the right to prior use, Sec 23 Para 3 allows inheritance or sale of the right to prior use only in connection with sale or inheritance of the whole business. Hence the right to prior use may not be licensed and may also not be transferred to other businesses independently from a transfer of the business. It should be possible to sell the right of prior use together with a business entity where this business entity forms a separate part of the business and the right of prior use is exclusively used by this entity.

68 It is important, that a pure dealer will not be granted the right of prior use. Also, offering the object (embodiment) without the construction plans does not sufficiently prove possession of the invention or even use of the invention.[27]

69 Sec 23 Para 4 allows the prior user to request that the right of prior use is acknowledged by a declaration of the patent owner. In case this declaration is denied by the patent owner, the prior user may apply to the Patent Office which will decide according to the procedural rules of the nullity procedure. Upon request of the prior user, the accepted right of prior use can be recorded in the patent registry.

70 A right to prior use is also regulated in Section 5 Utility Model Act with the specialty that the right of prior use will also be granted in case the invention has been made available to the public during the grace period of six months by the prior user. This is especially important since the prior user may even derive the use of the invention from public use by the inventor and subsequent owner of the utility model. Due to the prerequisite of good faith, however, the right of prior use will not apply in case of bad faith of the prior user, for example in case the prior user has started using the invention or making the necessary

[25] *Weiser*, Patentgesetz 2005, 174.
[26] *Weiser*, Patentgesetz 2005, 176.
[27] *Weiser*, Patentgesetz 2005, 174.

arrangement for doing so in knowledge of the invention of the subsequent owner of the utility model or in breach of a confidentiality or other agreement.

(4.4) EXHAUSTION

71 According to the principle of territoriality, patent protection is bound to the borders of the country. For a special regulation with regard to vehicles please see above at Section 3.1. Exhaustion of patent protection always has to be measured on the particular protected object. Patent rights are exhausted if a specific object has been put on the market in Austria by a patentee or by any third party with consent of the patentee. As a result, the patent owner's rights are exhausted with regard to that specific product and it can be sold or used by third parties. Exhaustion is always tied to the specific object and not to the patented invention in a general manner.

72 With accession to the EU, EU-case law for the freedom of goods is fully applicable and hence also the principle of EU-wide exhaustion.[28] Specific objects which have been marketed within the EU with consent of the Austrian patent owner and are subsequently imported into Austria will not constitute a patent infringement due to exhaustion of the patent rights.

[28] ECJ 5 Dec. 1996, C-267 and 268/95 – *Merck/Prime Crown.*

(5) COURT SYSTEM

(5.1) COMPETENT COURTS

73 In Austria patent infringement cases are handled exclusively at the Vienna Commercial Court (Handelsgericht Wien) which also includes the decision on requests for preliminary injunctions. The relevant Section 162 Patent Act also sets the Vienna Regional Criminal Court (Landesgericht für Strafsachen Wien) as the exclusively competent court for criminal prosecution of patent infringements. The cases follow general rules for civil procedure and – with regard to preliminary injunctions – the rules of the Enforcement Ordinance (Exekutionsordnung) subject to the specifics which are set forth in the Patent and Utility Model Acts. Austria has adopted a dual system: The competent authority to deal with opposition and nullity proceedings is the APO.

74 Due to the fact that only one court is exclusively competent to hear patent cases in civil and one court in criminal matters, there is no eventual choice of courts in Austria in patent matters. According to the rules of the court and court organization of the Vienna Commercial Court, specialized chambers have been installed to handle IP related matters within which only three hear patent cases. These highly specialized panels with competent and knowledgeable judges lead to a high degree of experience in this special legal field. Also, the panels at the Vienna Commercial Court are comprised of the presiding judge, a lay judge from the list of lay judges and a third judge. The lay judge will usually be a patent agent with specialization in the field of the respective patent which enables the court to deal with highly specialized questions in the relevant field of technology.

(5.1.1) Foreign Patents

75 The Vienna Commercial Court may hear infringement cases for Austrian patents and utility models, as well as for Austrian parts of European patents. According to Article 2 of the EU Regulation 44/2001 (on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters; before Brussels Convention) the Vienna Commercial Court will also be competent to hear cases with regard to infringements of foreign patents and foreign parts of European patents, which have taken place outside Austria, when the defendant is a person resident in Austria or a company domiciled in Austria. The court will then have to decide by applying the respective foreign law – as applicable according to conflict of law rules – to the case.

76 However, Article 22 (4) of the Regulation 44/2001 (16 (4) Brussels Convention) gives exclusive jurisdiction to the courts of the country of registration in proceedings concerning the registration or validity of, *inter alia*, patents and utility models. The question arose on a European level whether the practice of the Dutch courts (see Netherlands 62 on cross-border litigation) to assume jurisdiction based on Article 2 (domicile of defendant), Article 5 (3) (country of infringement) and Article 6 (1) (closely connected claims in case of multiple defendants) of the Regulation 44/2001/Brussels Convention and the so-called 'spider-in-the-web'-doctrine (i.e., main defendant in the Netherlands and remaining defendants part of a group of companies acting together) are compatible with Article 22 (4) of the Regulation/Convention. In the well-known case of GAT vs LuK (ECJ 4/03) the Court explained that Article 16 (4) of the Brussels Convention (i.e., Article 22 (4) of the Regulation) is to be interpreted as meaning that the rule of exclusive jurisdiction laid down therein concerns all proceedings to the registration or validity of a patent, irrespective of

whether the issue is raised by way of an action or a plea in objection. The European Court of Justice (ECJ) also did not make an exception in case the action or plea is unsubstantiated or raised only during the proceedings (instead of the outset of the proceedings). The second case (of the same day) Roche vs Primus (ECJ 429/03) pertained to the interpretation of Article 6 (1) of the Regulation/Convention which is conferring jurisdiction over connected cases. The ECJ ruled that the provision must be interpreted as not applicable in European patent infringement proceedings involving a number of companies established in various Member States in respect of acts committed in one or more of those states. It hence put an end to the 'spider-in-the-web'-doctrine (see Global Patent Litigation (Strategy) 27 – 54).

77 While relevant case law of the Austrian Supreme Court is not yet available, it can be assumed that the ECJ cases put an end to cross-border injunctive relief also for Austria as soon as invalidity of the foreign patent is invoked at any stage of the proceedings. Most likely, the court would then have to declare lack of jurisdiction or to stay the proceedings until a decision on validity has been rendered by the competent (foreign) patent office. Of course, the latter is not foreseen in civil procedure rules and it is unclear which route a court would take. Future decisions as well as the intended European Patent Litigation Agreement and other initiatives will be of central importance for future cross-border patent litigation.

(5.2) PATENT OFFICE

(5.2.1) Role of the Patent Office

78 Due to the fact that 'patent matters' are in the competence of the federal level, the APO is a federal agency. The competences of the Patent Office are regulated in Section 57-86 Patent Act.

79 According to Section 57 the Patent Office shall be responsible for the issuance and revocation of patents, for declarations of nullity or lack of title, for the declarations of dependence of patents, for decisions on naming a person as inventor, for decisions on the existence of a right of prior use, for grant of compulsory licenses, for decisions on applications, for declaratory judgments and service information in the field of industrial property protection as well as for all entries in the Patent Register.

80 The Patent Office has been granted legal personality with regard to certain services which the Patent Office is allowed to render on a commercial scale and for which the Patent Office is allowed to acquire rights and property (Section 58a Para 1 Patent Act, so-called 'Partial Legal Capacity'). Such services are for example written information and information via electronic means with regard to applications and registered IP-Rights, statistical evaluations of data in the field of IP, participation in providing state of the Article researches and expert opinions on patentability of inventions for countries or international organizations which are dealing with IP-Protection, participation in providing research services, etc.

81 According to Section 57a Patent Act the Patent Office has been given the task (not commercial, but as an administrative agency) to provide – upon request – written researches on state of the Article with regard to a particular technical problem and to render expert opinions on the question whether a particular invention is patentable taking into consideration the state of the Article which may be provided by the person requesting or be researched by the Patent Office. Prior to the amendment in 1977 the APO was obliged to provide upon request of a court expert opinions regarding patent issues. Since the courts

have not intensively used this option and the possibility for the courts to consult any court-appointed expert, the provisions have been changed in this respect.

(5.2.1.1) *Infringement vs Nullity Proceedings / Suspension of Proceedings*

82 Of course the services of the Patent Office are still available to the courts in connection with Section 156 Patent Act. Austria adheres (like Germany, Czech Republic, Slovakia, Portugal, etc.) a dual system, i.e., validity and infringement are dealt with separately: While infringement matters are with the court, validity is – in principle – a prerogative of the Patent Office.

83 Section 156 provides a bridge between the two deciding authorities: The court may himself assess validity of a patent on which a claim is based. However, already for that assessment, the court may request an expert opinion of the Patent Office. In case the court finds it likely that the patent is invalid based on the documents filed in the proceedings, the court shall stay the proceedings. Subsequently, defendant needs to demonstrate to the court that nullity proceedings have been filed or are already pending or defendant has joined such proceedings by way of intervention. In case a defendant fails to show one of these options, the court will continue the proceedings without regard to the objection of invalidity of the patent. However, any decision of the Nullity Department prior to conclusion of the oral hearing needs to be taken into consideration for the judgment. According to Section 156 Para 5, the proceedings at court will be continued after final decision of the Patent Office and such decision is binding for the court.

84 Section 156 Para 6 allows for proceedings to be re-opened in case validity of a patent has been differently judged by the Patent Office subsequent to infringement proceedings at court (i.e., after judgment). Such request to resume the proceedings has to be filed within four weeks of final legal effect of the decision with regard to nullity/validity of the patent.

(5.2.2) Declaratory Actions

85 Section 163 Patent Act gives the Patent Office the competence to render declaratory decisions. Such declaratory decisions may be requested both on the positive and on the negative side i.e., to decide whether a patent is infringed or whether a certain object does not infringe a patent.

86 According to Section 163 Para 1 anybody who produces an object on a commercial scale, puts such object on the market, offers it for sale or works it or applies a process on a commercial scale or intents such acts may request against the owner of a patent or the exclusive licensee the declaratory judgment that such object or process does not infringe as a whole or in relevant parts a certain patent.

87 Likewise Section 163 Para 2 gives the owner of a patent or the exclusive licensee the rights to request a declaratory judgment against anybody who produces an object on a commercial scale, puts it on the market, offers it for sale or works it or uses a process on a commercial scale or obviously intents such measures.

88 Both requests will be rejected in case opponent can show that court proceedings are pending prior to filing of the request for declaratory judgment and concern the same object or process. In the opposite situation, i.e., a pending request for declaratory judgment and

subsequent infringement action, there is no obligation for the court to stay the infringement proceedings.[29] However there are good arguments, mainly based on Section 156 Para 5 which allows to re-open court proceedings in case of a subsequent different decision on validity by the patent office – towards staying infringement proceedings while declaratory proceedings are pending.[30]

(5.2.3) Supplementary Protection Certificate

89 According to the Supplementary Protection Certificate Act 1996, supplementary protection certificates which complement patents valid in Austria are granted by the APO according to the EU regulations for SPCs for medical products (1768/92) and plant protection products (1610/96). Patents which may be complemented by such SPC are hence Austrian national patents as well as the Austrian part of European patents.

90 The substantive conditions for supplementary protection certificates follow the rules of the EU regulations.

(5.3) CONSERVATORY MEASURES

(5.3.1) Entitlement to Reasonable Compensation

91 Section 101 Para 5 Patent Act grants the owner of an application from the day of its publication a claim to reasonable compensation against anybody who uses the subject matter of the application without consent. According to Section 101d Para 2 this claim ceases to exist retroactively in case the application does not lead to grant of a patent. Section 158 Patent Act allows the court to stay the proceedings (which depend on validity of the claim) until the actual grant of the patent. Continuation may be requested by plaintiff. However, the court may also continue the proceedings *ex officio*.

92 All exclusivity rights which are connected to the patent are coming into existence with its grant (Section 101c Para 2 Patent Act) and measures to preserve such claims can hence only be granted from that date, i.e., a preliminary injunction to preserve certain remedies coming from the valid patent can only be requested after the patent has been granted. However, the entitlement to reasonable compensation can also by itself be subject of conservatory measures, i.e., the patent applicant may request measures to safeguard his rights connected with the patent application.

(5.3.2) Conservatory Measures for Injunctive Relief and Destruction of Infringing Products

93 The Patent Act allows conservatory measures by means of a preliminary measure to safeguard the claims for injunction, destruction and monetary claims (reasonable compensation, damages and payment of profits made) in Section 151b Patent Act. Such measures are also possible to safeguard evidence with respect to these claims.

94 In practice, the question often comes up how a nullity defense is handled in preliminary proceedings: Defendant may claim nullity of the patent already during the procedure for

[29] Austrian Supreme Court 26 May 1998, 4 Ob 141/98h, ÖBl 1998, 355.
[30] *Weiser*, Patentgesetz 2005, 417f.

preliminary measures by reasonably demonstrating nullity of the patent. In any case, the granted patent suffices as the necessary reasonable demonstration of availability of its scope of protection for its owner. Hence, defendant has the burden to reasonably demonstrate nullity of the patent (i.e., counter-proof). Assessment of nullity is limited to the boundaries of the preliminary proceedings, i.e., proceedings will not be suspended and referred to the Patent Office in case of successful counter-proof of invalidity by defendant. In such case, the request for preliminary measure will be rejected due to missing reasonable proof for validity of the patent.

95 Section 151b Para 3 Patent Act privileges preliminary measures with regard to the claim for an injunction and destruction of infringing goods by not requiring to reasonably demonstrate (which standard is lower than the standard of proof in the main proceedings) an imminent danger of infringement ('Gefahrenbescheinigung'). Such demonstration is usually necessary for preliminary measures outside of certain areas of law, such as IP law.

96 Preliminary measures may be requested separately in which case the court will set a deadline until which the main proceedings (i.e., proceeding on the merits) have to be filed as well. Preliminary measures may – which is the usual practice – also be filed together with the main action and will be dealt with by the court first, i.e., the main proceedings (other than the statement of defense of defendant) will only commence after a final decision on the request for preliminary measures. Preliminary measures may also be filed at a later stage during the proceedings.

(5.3.3) Entitlement to Reasonable Compensation, Damages and Payment of Profits Made

97 Only in case of infringements on a commercial scale the entitlement to reasonable compensation, damages and payment of profits made (i.e., the monetary claim) may be secured by a preliminary measure which has to be granted in case there is an objective threat that these claims may not be fulfilled at a later stage (Section 151b Para 2 Patent Act).

98 It has been argued that even the necessity to enforce judgments abroad (outside of the EU and the Brussels/Lugano Convention) maybe a sufficient reason, i.e., an objective threat that the claims may not be fulfilled at a later stage.[31] In cases where the infringements have not been committed on a commercial scale, Section 379 Para 2 Enforcement Ordinance is applicable and requires the reasonable demonstration that the defendant may destroy, sell or otherwise dispose of his assets and make the enforcement impossible or at least materially more complicated.

(5.3.4) Seizure of Evidence

99 Section 151b Para 1 allows preliminary measures to secure the claims for injunctive relief, destruction of infringing goods, payment (reasonable compensation, damages, payment of profits made) for the claim itself as well as to safeguard evidence. For this measure no specific threat needs to be shown and hence only the general rules of Section 384 Civil Procedure Ordinance apply and require the risk that such evidence may otherwise get lost or its availability may be impaired.

[31] *König*, Einstweilige Verfügungen im Zivilverfahren 3, 236.

100 According to Section 384 Para 2 Civil Procedure Ordinance such securing of evidence may also – without the prerequisite of showing of a risk – be allowed by the court in case a current condition of an object shall be recorded and the party requesting such measure has a legal interest in that recordal.

(5.3.5) Strict/no-fault Liability

101 Any conservatory measure which has been wrongly decided as shown by the subsequent main proceedings makes the party requesting such measure liable on an strict/no-fault basis. E.g., in case the subsequent proceedings shows that the patent is not valid or there was no infringement, the patent holder is fully liable for the damages incurred by defendant as a result of conservatory measures.

(5.3.6) Procedure

102 Since conservatory measures are handled within the framework of preliminary injunction proceedings please refer to 5.4.3. below.

(5.4) PROCEEDINGS

103 Infringement proceedings follow the general civil procedure rules for civil court actions as well as the general rules for preliminary proceedings. As already previously shown in connection with conservatory measures, the Patent Act implements certain specifics which help to deal with the special requirements of patent infringement cases.

104 It is important to note that the claim for injunctive relief (Section 147 Para 1 Patent Act) bases the claim on rights to the patent and hence does not distinguish between patentee and exclusive licensee. The exclusive licensee is granted an active standing to sue even if the license has not been recorded in the Patent Registry. Even the assignee of the patent who is not yet recorded in the Patent Registry will be able to pursue patent infringement.[32]

105 Such lack of registration may only be invoked by a third person who may rely on registration in good faith. It is argued that an infringer will be regarded as having good faith in this respect. Based on case-law from the respective provisions in the Trademark Act it is assumed that the holder of a non-exclusive license needs to be specifically granted the right to sue.

(5.4.1) Pre-trial Proceedings

106 Austrian Law does not know specific pre-trial proceedings in general and also not with regard to patent infringement cases. As explained above in 5.3. conservatory measures – in particular after implementation of the enforcement directive – grant possibilities to preliminary measures to safeguard evidence, monetary claims, seizure of infringing goods, etc. These conservatory measures hence have at least some effect which is comparable to pre-trial proceedings (incl. pre-trial discovery) in other systems. The procedure for granting such preliminary injunctions is described in 5.4.3. Please also refer to 6.9 (criminal liability).

[32] Austrian Supreme Court 12 Feb. 1991, 4 Ob 173/90, ÖBl 1991, 153.

(5.4.2) Ordinary Proceedings

107 Main proceedings, i.e., proceedings on the merits are initiated by filing the lawsuit with the Vienna Commercial Court as the exclusively competent court to hear patent infringement cases in Austria. The complaint is then served upon the defendant. Service is exclusively done by the court due to the fact that service of the lawsuit triggers the deadline of four weeks (Section 230 Para 1 Civil Procedure Ordinance) for filing the statement of defense. This deadline is not extendable. Generally service of document which trigger a deadline will be served by the court while other documents will be filed with the court and directly sent to opposing party. In case defendant is not domiciled in Austria, the relevant international conventions (the Hague Convention or bilateral agreements) regulate service done through diplomatic channels and use of the respective local courts for such service. Within the European Union the regulation 1348/2000 (on the service in member states of judicial and ex-judicial documents in civil or commercial matters) applies and service will be effected according to these rules.

108 Defendant will be served with the complaint and all exhibits as filed by plaintiff. The deadline of four weeks for filing of the statement of defense starts from effective service. Subsequently the senate will schedule a preparatory hearing which date needs to allow at least three weeks from service of the summons to the actual hearing. The court may also request from the parties further preparatory briefs and in very complex matters, judges even tend to discuss with the parties certain sequence of briefs and counter-briefs which should help to have all documents prior to the actual main hearing. Generally, the oral procedure may take place in several parts and not as a single long (or even multi-day hearing). In cases where urgency can be demonstrated, service is also possible by court bailiff, for example for the main action which is combined with a request for preliminary measures and the infringing good is shown at the trade-fair for a very limited time or other reasons which make it impossible to use the standard service.

109 Austrian civil procedure law generally requires putting all arguments in front of the court as soon as possible in the proceedings. This should avoid unnecessary delays by pleading important arguments at the later stage. It is also important to note that the Civil Procedure Act in practice allows the judge an active role in taking evidence, requiring expert opinions and statements of parties to certain arguments of the other party, interrogating witnesses, etc. As soon as the senate finds the matter ripe for decision, the senate will close the oral hearing formally and will render the judgment in writing.

(5.4.3) Preliminary Injunction Proceedings

110 For several reasons preliminary injunction proceedings have a particular importance in Austrian IP infringement cases and in particular patent infringement cases. Of course, the general considerations for providing preliminary injunction proceedings is the same as in most jurisdictions: Preliminary injunctions shall help plaintiff to secure immediate injunctive relief and other measures when ordinary proceedings (and their length) would lead to irrecoverable damages or render the whole proceedings irrelevant. Importance is given due to the fact that there is no 'fast-track' procedure available in Austria. The decision regarding the request for a preliminary injunction is comparatively quick: The typical time frame for the decision in first instance on the request for preliminary injunction would be anywhere between four weeks and four months from filing. A final decision (i.e., decision of Appellate Court or the Supreme Court – since it is possible to reach even the Supreme Court in preliminary injunction proceedings) in patent matters should be about one year or eighteen month for a final decision. Of course the actual time frame heavily depends on

the complexity of the matter and the fact that coordination of a three-person panel and several briefs and counter briefs even in the preliminary injunction phase may ad a few weeks.

111 It is court practice to serve the request for preliminary injunction to defendant with a comparatively short time frame for a counterstatement of eight to fourteen days. Up until most recently, *ex parte* preliminary measures were very rare (although possible). This should gradually change: Implementation of the Enforcement Directive has brought new language into the Patent Act and Section 151b Para 4 explicitly sets forth that preliminary measures maybe granted *ex parte* (i.e., without hearing the opponent) in the case of possible non recoverable damages or the risk of evidence which may be destroyed or unavailable. It needs to be specifically requested that a preliminary measure shall be granted *ex parte*. Due to reference to Section 151b Para 1 Patent Act ex parte preliminary measures are possible with regard to conservatory measures for the claim for injunctive relief, destruction of infringing products and payment (reasonable compensation, damages and payment of profits made) as well as evidence connected to these claims.

112 With regard to the level of burden of proof a preliminary injunction is usually granted when clear and readily available evidence (i.e., available written statements, ready expert opinions, etc.; no interrogation of witnesses – other than the so-called 'informed persons' – see below) for the infringement can be shown and if the court has no reasonable doubt as to the validity of the patent. The weighing of interests as set forth in the Enforcement Ordinance and Patent Act may otherwise lead to denial of a preliminary injunction.

113 A specialty of Austrian preliminary injunction proceedings are the so-called 'informed representatives'. Such person is also regarded as admissible and readily available evidence for preliminary injunction proceedings and needs to be at hand for the court, i.e., the request for granting of a preliminary injunction needs to include information of how to contact such person which is usually done via the lawyers. Usually the courts will call plaintiff or defendant's lawyer and set a (close) date for the informal interrogation of such person. The lawyers of both sides are usually not present at such an interrogation. Ideally, the informed person is the person in charge of the products which are protected by the patent and can give the court information on the infringement, surrounding circumstances, etc.

114 Absent of statistical data, we made the observation in practice that informed persons are more important in unfair competition cases and trademark cases and emphasis in patent infringement cases lies on the expert opinion on infringement and on validity which are filed together with the request for preliminary injunction.

115 For the proceedings it is also important to note that lawyers and patent attorneys (= patent agents) are completely separate professions and rules of professional conduct do not allow to combine firms of lawyers and patent agents. Patent attorneys are technicians with special training. Civil as well as criminal patent litigation is handled by lawyers. Every qualified lawyer may appear before court in patent matters. Only lawyers may plead at court or file submissions. In court cases, the patent agent assists the lawyer with regards to technical aspects of the litigation and the patent and may also be heard upon request of a party (Section 16 Patent Attorney Law). Civil litigation rules also allow the patent agent to be heard during the proceedings. Adding the technical knowledge of a patent agent to the case has the advantage for the litigants to being able to have specialist technical expertise at hand during the proceedings. Also, the rules of cost reimbursement allow statutory reimbursement for the cost of the assisting patent attorney to be reimbursed as well. It is usually also a patent agent who will be asked to provide expert opinions which are necessary to provide readily available evidence on validity and infringement in preliminary injunction

proceedings. In most cases the patent agent rendering such expert opinions will be different from the patent agent assisting in litigation to avoid the argument of opposing party that the expert opinion may not be impartial.

116 Decisions in preliminary injunction proceedings are enforceable as soon as served to the opposite party. They may be appealed within a deadline of fourteen days and the same deadline for a counter statement of the other party. Appeals are two sided, i.e., in principle both the plaintiff and defendant could file an appeal.

117 Section 1 Utility Model Act incorporates by reference Section 147-157 Patent Act and hence the same rules apply also for utility models. The fact that utility models in Austria are not examined prior to registration does not change the assumption that the registered right is in principle valid. This assumption may be rebutted by defendant during preliminary injunction proceedings. The level of evidence needs to suffice the test of readily available evidence. However, the search report is usually not considered a relevant proof for nullity of the utility model, even if it shows relevant documents according to which the utility model could be invalid. It has been argued that a search report which shows documents with special relevance in particular also confirms that similar inventions have been found patentable (respectively being able to be protected as utility model).[33] The Austrian Supreme Court has also held that the mere fact that the utility model is not examined upon registration does not suffice to destroy the prima-facie evidence of validity unless rebutted by relevant evidence.[34]

118 The 'protective writ' which was installed in Germany by case law (see Germany 100) is not available in Austria. *Ex parte* decisions (if granted by the court) can hence not be avoided and are only subject to a special appeal (Section 397 Enforcement Ordinance). This special appeal is only available in case opponent has not been heard prior to issuance of the preliminary injunction and has to be filed within fourteen days without suspensive effect. It may be combined with the 'regular' appeal against the preliminary injunction (where suspensive effect may be requested, but where new evidence is not admissible). Competent court for the special appeal is again the court of first instance and the appeal can fight both admissibility and reasons of the preliminary injunction. Different from the appellate procedure, the complaint does not limit pleading of new facts or submitting of evidence.

(5.4.4) Suspension of Proceedings

119 The infringement court has no competence to give a final decision about the validity of the patent. The court is bound by the decision of the APO. For the procedure in detail please refer to 5.2.1.1.

120 Section 156 Patent Act which regulates the suspension of proceedings is also applicable to utility models (Section 41 Utility Model Act) although the utility model is not examined upon registration, it is assumed to be valid until decision of its invalidation (or at least readily available evidence which make the weighing of interests of both parties towards the interest of the alleged infringer).

[33] Austrian Supreme Court 30 Jan. 1996, 4 Ob 6/96, ÖBl 1996, 200, *Weiser* Patentgesetz 2005, 523.
[34] Austrian Supreme Court 30 Jan. 1996, 4 Ob 6/96, ÖBl 1996, 200.

(5.4.5) Appeal

121 As mentioned earlier appeals are possible against the decision on request for preliminary injunction (fourteen days) to the court of appeals (Oberlandesgericht Wien). In case of *ex parte* preliminary injunction there is additionally the remedy of a special appeal again to the court of first instance (Vienna Commercial Court).

122 In the main proceedings (proceedings on the merits) appeals are handled by the Court of Appeals and the deadline for appeal is 4 weeks. The appeals are two sided, i.e., each party may file an appeal if burdened by the decision and the respective opposing party may file a counter-writ.

123 There is no differentiation between filing the appeal and the grounds of appeal i.e., the appeal has to be substantiated within the deadline. In all cases it is important to know that there is strict limitation of new facts and evidence. This does no apply for the special appeal in case of an *ex parte* injunction.

(5.4.6) Supreme Court

124 The decisions of the Court of Appeals may be further appealed to the Supreme Court, both in preliminary injunction proceedings and the main proceedings. The Court of Appeals needs to grant such appeal. In case no leave for such appeal is granted, it may nevertheless be appealed to the Supreme Court which will then review the decision whether or not leave has correctly not been granted or should have been granted. In the latter case, the Supreme Court will decide. The grounds for Supreme Court appeals can only be based on points of law.

125 Please note certain restrictions with regard to litigations with sums in dispute below EUR 20,000: Below EUR 4,000 an appeal to the Supreme Court is never admissible. Between EUR 4,001 and EUR 20,000, leave for Supreme Court appeal needs to be granted for the Supreme Court to hear the case. Only beyond EUR 20,001, the above mentioned procedure applies.

126 In patent practice, this rule is usually not relevant, since the sum in dispute will be set for the important claims (in any case for injunctive relief which includes the question of validity of the patent and infringement) above the thresholds. The 'sum in dispute' concept does not refer to the actual economic value of the claim and is primarily needed for procedural matters, for determining the competence of the court (which is irrelevant in patent matters since the Vienna Commercial Court and the Vienna Criminal Court have exclusive jurisdiction over the cases), reimbursement of lawyers fees and calculation of court fees. The recommended minimum sum in dispute for IP matters is EUR 36,000.

127 The decision of the Supreme Court is in any case final and can not be further appealed. A Supreme Court Decision on a request for preliminary injunction also usually induces settlement negotiations since the case has then already been tested at three levels and absent of relevant evidence which has for some reasons not been taken into consideration for example has not been readily available and may make one of the parties believe that the outcome may be completely different in the main proceedings.

(5.5) EVIDENCE

128 Civil patent infringement litigation follows the same rules as other civil litigations. Austrian civil procedure law principally knows the following types of evidence: witnesses, documents, expert opinions, inspection and interrogation of parties. This is not a limited list but most evidence can be subsumed under one of the categories. The parties have to present the facts on which they base their arguments and provide evidence for each fact. The general principle is of course that the party relying on a particular fact also has the burden of proof for this fact unless a burden of proof rule such as Section 155 Patent Act switches the burden of proof to the other party. According to Section 155 Patent Act any object produced according to a patented process is assumed to be using such process in case the result is the same (see 3.3). Hence defendant has to show that he uses a different process to overcome that assumption.

129 Austrian patent litigation has a particular emphasis on expert opinions of court appointed experts: Both the Vienna Commercial Court and the Court of Appeals will usually appoint an expert from the list of court appointed experts in the special field of litigation to provide the court with an expert opinion on patent questions. Usually this will be a patent agent. The court appointed expert is additional to the lay judge member of the senate who is also a patent agent. Each parties' lawyers will be assisted by a patent agent and a further patent agent will be used on each side to provide expert opinions on validity and infringement. In the first instance this may easily add up to six different patent agents involved in the litigation.

130 As mentioned above during the PI proceedings evidence needs to be 'readily available', i.e., in written form or otherwise readily available such as by informed persons who may within very short time be brought to court to provide the testimony. During the main proceedings witnesses need to be heard personally by the court – written witness statements are not permissible.

131 Experiments may be conducted as part of admissible evidence and results will usually be provided to the court by way of expert opinion. In case the court appointed expert needs to conduct experiments, the court will ask the parties to provide the necessary material.

(6) REMEDIES

132 Based on the scope of protection of the patent, Austrian Patent Law offers various remedies for the patentee in case of infringement. The remedies are listed in Section 147-158 Patent Act for civil actions and Section 159 – 161 Patent Act for criminal patent litigation. As previously mentioned, Austria has already implemented the EU Enforcement Directive (2004/48/EC of 29 April 2004 on the Enforcement of intellectual property rights) and the minimum remedies according to the enforcement directive are hence available in Austria.

133 Section 41 of the Utility Model Act refers to and incorporates the sections of the Patent Act providing the various remedies. Hence this chapter is applicable both to patent and utility models.

(6.1) INJUNCTIONS

134 Section 147 Patent Act gives the injured party an injunction to restrain further infringements. This claim will usually be the main interest of the patent owner since it allows to stop the infringer from committing further infringements. According to the scope of protection the court will usually grant an injunction which prohibits the infringer from manufacturing, putting on the market, offering for sale or working or importing or owning the infringing object for these purposes.

135 Since injunctions are enforced via the Enforcement Ordinance by penalties for non-compliance, the requested injunction needs to detail the elements which defendant shall refrain from using. In patent matters it would hence not suffice to simply request defendant not to infringe a certain patent but rather not to manufacturer, etc a device according to the elements of the particular patent claims which have been infringed, in particular the infringing object. Otherwise plaintiff runs risk that the judgment can not be properly enforced. Also, enforcement needs to be requested from the respective enforcement court. For continuous infringement, a penalty can be applied for each day. While previously penalties could be applied directly, a new revision of the execution ordinance now requires the court to serve the request for penalty to the infringing party. This makes execution of judgments via penaltes somewhat less direct than previously but due to the comparatively high possible fines (up to EUR 100,000 daily), enforcement will still be effective. Please note that the fines are going to the state and not to the patentee.

136 In case of an imminent threat of an infringement, but still without an actual infringement, the patent owner can request preventive injunctive relief.[35]

(6.2) DESTRUCTION OF INFRINGING PRODUCTS

137 Section 148 Patent Act obliges the patent infringer to remove the unlawful situation. The infringed party may in particular request that any infringing objects may – on costs of the infringer – be destroyed and all utilities, machinery and other means for infringement may be made inoperative/unusable for that infringement, insofar as this does not impair third party *in rem* rights. In case the objects of infringement or means of infringement contain

[35] Austrian Supreme Court 17 Sep. 1996, 4 Ob 2230/96m.

parts which continuous use or availability for defendant will not infringe the exclusive right of the patentee, the court needs to describe these parts in the judgment regarding destruction or making inoperative of the infringing good. During enforcement of the judgment these parts – as far as possible – shall be excluded from destruction and making inoperative in case defendant pays the respective costs in advance.

138 In case the enforcement procedure shows that making means of infringement unusable or inoperative would entail higher costs than actually destroying them and such costs are not paid by defendant in advance, the enforcement court shall – after interrogation of the parties – order the destruction of these means of infringement. In case the unlawful condition may be corrected by means which result in less destruction of economic value, the infringed party may only claim measures of that kind.

139 The patentee may request instead of destruction of the infringing objects or making inoperative of the means of infringement to be given these objects and means of infringement by its owner for a reasonable compensation which shall not be higher than the production cost. The enforcement court is obliged to obtain expert advice for actual enforcement of the destruction to point out which objects are subject of the destruction.

(6.3) PUBLICATION OF JUDGMENT

140 Section 149 Patent Act allows plaintiff to request that the defendant is ordered to reimburse plaintiff for suitable measures to disperse information about the judgment ('corrective advertising'). Scope and way of publication shall be determined by the court. Even publication in the internet, on defendant's website is possible.

141 Usually, plaintiff will try to choose newspapers with wide and/or specialist distribution to obtain maximum effect. The publication only covers the sentence (i.e., tenor) of the judgment. Plaintiff can also apply to have a different or supplemental text published. The costs for publication have to be born by defendant. Upon request, the court of first instance may assess the costs and order defendant to pay these costs.

(6.4) MONETARY CLAIMS

142 Section 150 Patent Act gives the infringed party against the infringer a claim for reasonable compensation. Such reasonable compensation equals the value of the use of the patent by the infringing party, usually a reasonable license fee.

143 In case of culpable infringement, the patentee may instead claim damages including lost profits or surrendering of profits made by the infringer. In case of intentional or gross negligent infringement the infringed party may claim double reasonable compensation (i.e., a mild form of punitive damages in the form of double reasonable compensation) without having to demonstrate the actual damages incurred.

144 Moreover, the patentee also has a claim to reasonable compensation for non-monetary damages suffered by culpable patent infringement insofar as justified by the special circumstances of the case (non-pecuniary damage, immaterial damage).

145 It is important to note that in Austria – as in various other jurisdictions as well – cases are rather often settled after the patentee obtains an injunction in the preliminary injunction

proceedings and cases are very rarely continued to assessment of damages. Hence case law on calculation of damages is also very rare.

(6.5) RENDERING OF ACCOUNTS

146 Section 151 Patent Act grants an ancillary claim to rendering of accounts which shall help the infringed party to calculate monetary damages. Verification by an expert of the information provided may be requested. In case this verification results in a higher amount than resulted from the documents rendered, costs for the verification need to be born by the infringer.

147 Scope of the obligation to render accounts will depend on the nature of the business and the usual course of business.

(6.6) INFORMATION REGARDING ORIGIN AND DISTRIBUTION

148 This newly implemented remedy (Section 151a Patent Act) allows requesting information about the origin and the distribution of the infringing goods and services insofar as the scope of this information is not unproportional compared to the gravity of the infringement and does not breach legal obligations of secrecy. The circle of persons obliged to provide information is wide: The infringer himself as well as any person who has, in the course of commerce, had possession of infringing goods or used infringing services or supplied services which were used for infringements.

149 The duty to provide information encompasses, as far as applicable to the relevant case, the name and address of the producer, distributer, provider and any other prior possessor of the goods or services as well as any commercial recipients and points of sale for which they were destined. The obligation to render the information also includes the amounts of produced, delivered, received and/or ordered goods as well as prices which have been paid for those goods or those services.

150 This claim for information will in some parts overlap with the claim for rendering of accounts. The legislative history explains that this is intended in order to be fully compliant with the Enforcement Directive.

(6.7) LIABILITY OF THE OWNER OF THE BUSINESS

151 Section 152 makes the owner of a business – additionally to the business entity itself – liable for injunctive relief in case a patent infringement has been committed in his business or such infringement is imminent. The patent infringement has to be committed by an employee or other staff (also on a free-lance basis) of the company.

152 The owner of the business is obliged to remove the infringing objects or means of infringements in case he owns these objects. In case the infringement is committed by an employee or other staff, the obligation to pay monetary claims (i.e., payment of reasonable compensation, rendering of accounts and information) will only concern the owner of the business, unless he had no knowledge of the infringement and has also not gained from the infringement. In case of culpable patent infringement, the monetary claims always apply.

(6.8) COSTS

153 In general, the winning party has a claim for reimbursement of statutory costs. The amount to be reimbursed is fixed by a statutory table of fees according to the applicable rules; the costs for the assisting patent agent are also reimbursable. The rules also allow reimbursement of all other costs which were necessary for appropriate prosecution of legal rights which will include the costs for expert opinions of the party. Additional costs which might occur and exceed the costs which are reimbursable according to the statutory regulations are exempt from reimbursement.

154 In practice preparation of a lawsuit is particularly extensive in patent matters and statutory reimbursement rules will only cover a part of the actual costs incurred. Moreover, since cases are very often settled after the preliminary injunction proceedings, no oral hearings have been held which would otherwise entail a rather significant reimbursement of costs. As a general rule it may be said that the ratio of reimbursement of costs will be higher the longer the proceedings are taking due to the rules of reimbursement which favor oral hearings over extensive preparatory written work.

155 With a full success of a claim, the actual overall reimbursement of legal fees will be in the range of 40-80% of the actual costs accrued. The final ratio will also heavily depend on the duration and complexity of the proceedings, among other things. The system may be seen unbalanced, but it raises the risk for a plaintiff to initiate the lawsuit while likewise limiting exposure on both sides. Providing reimbursement of costs also serves as a tool to avoid frivolous law suits.

(6.9) CRIMINAL LIABILITY

156 Section 159 Patent Act sets a criminal liability for any intentional patent infringement with a fine of up to 360 daily fines (which will be calculated according to the income of the infringer). In case of infringement on a commercial scale, the law sets a possible maximum fine of up to two years imprisonment. The important particularity of criminal liability for patent infringements is the fact that the patent infringement is enforceable by way of so called *private criminal action*, i.e., the patent owner acts as private prosecutor.

157 The latest reform of the Code of Criminal Procedure came into force on 1 January 2008 which fundamentally changed criminal proceedings in Austria. Prior to the amendment, criminal proceedings had preliminary investigations which could be used to collect evidence with all means of criminal prosecution, i.e., house searches, interrogation of witnesses, seizure of infringing goods, etc. This was a very effective means to prepare the criminal prosecution as well as a subsequent civil law suit. Also, it was up to the private prosecutor (i.e., the patentee) to discontinue the case after a settlement could be reached.

158 The preliminary investigations have been abolished and are only available for *ex officio* proceedings, i.e., not in criminal patent infringement cases. The patent holder has to collect necessary evidence for the criminal complaint himself, for example by test purchasers or other investigations. However, certain measures to secure evidence for the main proceedings are still admissible. Due to the fact that the amendment is new and relevant Supreme Court case law is yet to be expected, the effects of the amendment on the future of criminal IP litigation on Austria is unclear. Mixed case law on first instance and appellate levels suggest that courts will allow house searches to seize evidence which is known to the patentee but not in his possession or patentee can at least show that it is very likely to be found.

(6.10) POSITION OF LICENSEES AND PLEDGEES

159 Please see 5.4.

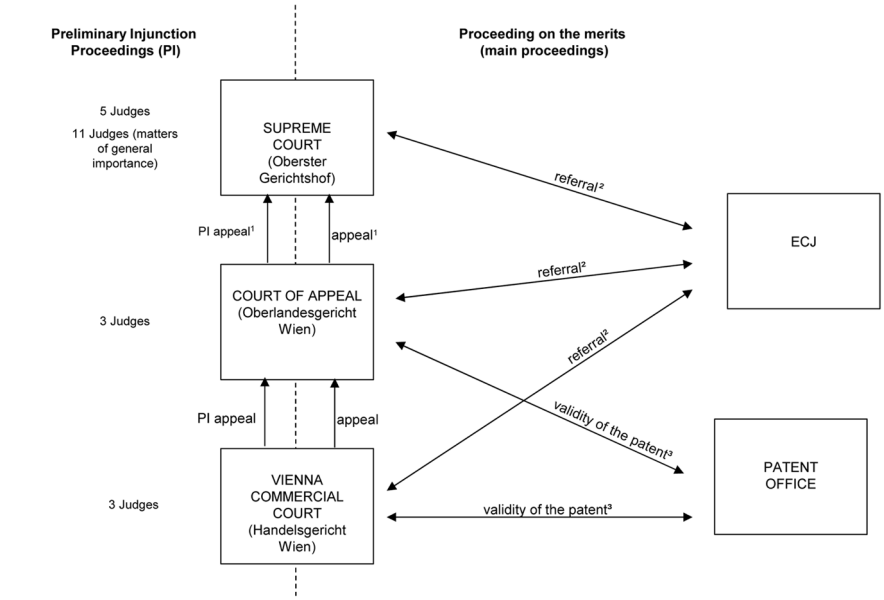
(7) CONCLUSION

160 Austria provides a very efficient and cost effective system for patent infringement cases. In particular, the specialized senates at the Vienna Commercial Court and the comparatively fast and well equipped Patent Office provide a good arena for patent litigation.

161 Due to the possibility to reach the Supreme Court even in preliminary injunction proceedings which are comparatively fast, a lot of IP matters in general and patent matters in particular may be solved and settled already after the proceedings on the request for preliminary injunction.

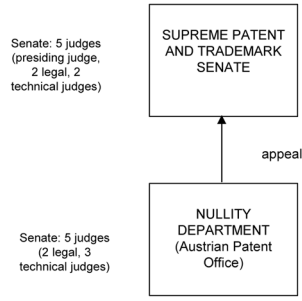
(8) TABLES

Court Structure for Patent Infringement Cases



'1 Procedurally limited, questions of law only
'2 PI and main proceedings
'3 Main proceedings only

Nullity (Invalidity Proceedings)



Structure of proceedings in second instance:

— No new facts and evidence may be submitted.
— Oral hearing is usually held.

Structure of proceedings in first instance:

— Written nullity action.
— Counterwrit.
— Pre-trial procedure with taking of supplementary evidence (as required).
— Oral hearing.
— Decision.

* Accellerated proceedings are available: No extension of dealines for filing submissions. Does not accellerate the proceedings itself.
* Nullity proceedings may be filed at any time during patent duration and even after expiry (in case legal interest can be shown).
* Final decision has effect *ab initio*, ie from the beginning of patent protection.
* Reasons:
  - Missing novelty, inventiveness, susceptability of industrial application, reasons to exclude patentability (Sec 1 – 3 Patent Act)
  - Insufficient disclosure
  - Exceeding of initial disclosure
  - For biological material: inaccessability of the deposit

Proceedings for Preliminary Measures (Preliminary Injunction, House Searches, Seizure of Infringing Goods): First Instance (Vienna Commercial Court)

Introduction	Counterstatement	Oral Hearing	Decision/Appeal
Request for PI sent to Vienna Commercial Court.	Usually within short deadline (8 to 14).	No oral hearing. In some cases: Interrogation of 'informed persons' of each party.	3 judges, specialised senate for patent matters, one judge is a lay judge (usually a patent agent).
Request will be served to defendant (unless *ex parte* PI requested).			Decision is immediately enforceable (but not final).
			Deadline for appeal: 14 days and another 14 days for counterstatement.
For preliminary measures such as seizure of documents and/or other evidence (via house searches), seizure of infringing goods, etc: Enforcement via the local competent enforcement court.			For *ex parte* measures: special appeal (without limitations of new fact/evidence): 14 days.

Notes:

- Panel of three judges.
- No counterclaim allowed in preliminary injunction proceedings.
- No requirement of urgency, may be requested at any time prior or during the proceedings.
- No suspension of proceedings in case of doubts on validity of patent/utility model; request for preliminary measure will be rejected.
- Decision will be served by the court.
- Under certain circumstances (ex parte or high urgency), service possible via court bailiff.

Proceedings for Preliminary Measures: Second Instance (Court of Appeal – Oberlandesgericht Wien) and Third Instance (Supreme Court – Oberster Gerichtshof)

Introduction	Counterstatement	Oral Hearing	Decision/Appeal
Appeal (14 days)	Counterstatement (14 days).	No oral hearing.	3 judges, specialised senate for patent matters, one judge is a lay judge (usually a patent agent).
			Supreme Court: 5 judges.

Notes:

- Panel of three judges. Supreme Court: Panel of five judges.
- No counterclaim allowed in preliminary injunction proceedings.
- No suspension of proceedings in case of doubts on validity of patent/utility model; request for preliminary measure will be rejected.
- Supreme Court will consider questions of law only and base the decision on the facts according to the Court of Appeal.

Proceedings on the Merits (Main Proceedings): First Instance (Vienna Commercial Court)

Introduction	Counterstatement	Oral Hearing	Decision/Appeal
Lawsuit is filed at the Vienna Commercial Court	Deadline of 4 weeks.	Oral hearing in several parts (as necessary in the relevant case).	3 judges, specialised senate for patent matters, one judge is a lay judge (usually a patent agent).
Lawsuit incl all exhibits will be served by the court.	Further briefs are admissible, however only up until 7 days prior to a hearing.		
Court appointed expert: In patent litigation matters, the court will nearly always appoint an expert to provide an option on patent questions to the court.			Deadline for appeal: 4 weeks from service of judgment, 4 weeks for counterstatement.
The main proceedings commence only after final decision on a final request for preliminary measures. However, the counterstatement needs to be filed within the deadline of 4 weeks.			

Notes:

- Panel of three judges.
- Suspension of proceedings in case of serious doubts on validity of patent/utility model -> stay until final decision by the Patent Office. Defendant needs to demonstrate having started nullity proceedings within one month. Otherwise, the court will continue the proceedings. However, the court is bound by a (later) decision of the Patent Office. Proceedings may also be re-assumed in case the Patent Office decides after final judgment.
- Decision will be served by the court.
- Even during the proceedings on the merits, preliminary measures may be requested.

Proceedings on the Merits (Main Proceedings): Second Instance (Oberlandesgericht Wien) and Third Instance (Supreme Court)

Timely appeal.	Deadline of 4 weeks.	Usually no hearing.	3 judges, specialised senate for patent matters, one judge is a lay judge (usually a patent agent).
Appeal will be served to opponent for counterstatement.	No further briefs.		5 judges at the Supreme Court.
			Deadline for appeal to the Supreme Court: 4 weeks from service of judgment, 4 weeks for counterstatement.
			Certain procedural limitation apply for Supreme Court Appeal. Most importantly: In case no leave is granted, appeal may still be filed and Appelate Court will review decision on leave.

Notes:

- Panel of three judges. Supreme Court: Panel of five judges.
- Suspension of proceedings in case of serious doubts on validity of patent/utility model -> stay until final decision by the Patent Office. Defendant needs to demonstrate having started nullity proceedings within one month. Otherwise, the court will continue the proceedings. However, the court is bound by a (later) decision of the Patent Office. Proceedings may also be re-assumed in case the Patent Office decides after final judgment.
- Decision will be served by the court.
- Even during the proceedings on the merits, preliminary measures may be requested.

Duration of Proceedings

Infringement Proceedings (Preliminary Injunction)

Vienna Commercial Court (First Instance)	Court of Appeal (Second Instance)	Supreme Court (Third Instance)
1–4 months	6–14 months	6–14 months

Infringement Proceedings (Ordinary Proceedings)

Vienna Commercial Court (First Instance)	Court of Appeal (Second Instance)	Supreme Court (Third Instance)
9–24 months	9–18 months	12–24 months

Notes:

- Duration of proceedings depends on number of oral hearings necessary as well as amount and complexity of material filed.
- Court appointed expert will usually be asked to respond within a set time frame.
- Actual duration will also depend on stay of proceedings for nullity proceedings (see below – only during ordinary proceedings) and extend by time for such proceedings.

Nullity Proceedings (Austrian Patent Office)

First Instance	Second Instance
18–36 months	12–24 months

Notes:

- Delays may be caused by parties' requests for extensions of time. It is possible to request 'fast-track' according to which such extensions of time for submissions are generally inadmissible. The remaining procedure will be of the same duration.

Costs of Infringement and Invalidity Proceedings
Infringement Proceedings

Vienna Commercial Court (First Instance)	Court of Appeal (Second Instance)	Supreme Court (Third Instance)
EUR 15,000–75,000	EUR 15,000–30,000	EUR 15,000–30,000

Notes:

- Costs are for each party. Depending on outcome of the proceedings, reimbursement of costs is made on a statutory basis (i.e., based on statutory fee regulations). Actual reimbursement of costs will be approximately 40%–80% for the winning party. This ratio depends on the lengths of the proceedings, number of hearings, complexity and number of invalidity arguments, etc and may also be much lower that the figures stated.
- General: Costs will also be higher in case several expert opinions (on infringement and/or validity) are required. Moreover, complexity of the patent and the case, number of validity arguments and amount of documents presented will heavily influence costs.
- Minimum 'sum in dispute' for IP matters are recommended at EUR 36,000 (General Guidelines for Fee Calculation). This figure is a 'nominal' value. Court fees are EUR 607 at sum in dispute of EUR 36.000 and go up to 1.2% + EUR 1,661 above EUR 363,360 in first instance. Second instance: EUR 934 (up to 1.8% + EUR 2,443 above EUR 363,360). Supreme Court: EUR 1,168 (up to 2.4% plus EUR 3,258 above EUR 363,360).

Nullity Proceedings (Austrian Patent Office)

First Instance	Second Instance
EUR 15,000–50,000	EUR 15,000–30,000

Notes:

- Costs are for each party (see above).
- Costs will depend on complexity of patent, number of invalidity arguments and amount of documents presented as well as costs for external expert opinions.