

Patents

Contributing editor
Richard T McCaulley Jr



2019

GETTING THE
DEAL THROUGH

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Patents 2019

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Preface

Patents 2019

Sixteenth edition

Getting the Deal Through is delighted to publish the sixteenth edition of *Patents*, which is available in print, as an e-book, and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Richard T McCaulley Jr of McCaulley Dowell LLP, for his continued assistance with this volume.

GETTING THE 
DEAL THROUGH 

London
February 2019

Portugal

António Andrade

Vieira de Almeida

Patent enforcement proceedings

1 Lawsuits and courts

What legal or administrative proceedings are available for enforcing patent rights against an infringer? Are there specialised courts in which a patent infringement lawsuit can or must be brought?

Patent rights must be enforced before the Intellectual Property Court, which is a court specialised in IP rights with the exclusive competence to decide on the enforcement actions – and validity actions – regarding any IP right and also unfair competition.

Actions related to pharmaceutical patents and generic medicines may be subject to voluntary arbitration, according to Law 62/2011, of 12 December, recently amended by Decree-Law 110/2018. Upon the publication of a marketing authorisation application for a generic product, the patent holder has a 30-day period to submit the case before voluntary arbitration proceedings, with the agreement of both parties, or to file a legal action in the Intellectual Property Court.

Patent infringement is a criminal offence and a criminal complaint before a criminal court is also available, although this route is rarely used.

2 Trial format and timing

What is the format of a patent infringement trial?

The typical form of a patent trial is the live and oral questioning of the witnesses or expert witnesses appointed by the parties, in order to evidence the facts alleged in the statement of claim and statement of defence.

The witnesses respond to questions from the parties' lawyers examination in chief and cross-examination, and also from the judge. The evidence includes documentary evidence and testimonial evidence and could also include affidavits, legal opinions and expert opinions.

Disputes are decided by a single judge in the first instance, and a typical patent infringement trial could last between 18 months and two years. A preliminary injunction could take between three and eight months.

In the mandatory arbitrations for the enforcement of pharmaceutical patents, the main action could last up to one year and a preliminary injunction between two and five months.

3 Proof requirements

What are the burdens of proof for establishing infringement, invalidity and unenforceability of a patent?

For establishing infringement, the burden of proof lies with the claimant (patent holder). There is a reversal of the burden of proof regarding process patents of a new product, as established by law: 'If a patent is for a manufacturing process of a new product, the same product manufactured by a third party shall be considered to have been manufactured by the patented process unless proven otherwise.'

For invalidity and unenforceability of a patent, the burden of proof lies with the party that alleges the facts that underlie the invalidity and unenforceability.

4 Standing to sue

Who may sue for patent infringement? Under what conditions can an accused infringer bring a lawsuit to obtain a judicial ruling or declaration on the accusation?

The patent holder or a licensee/sub-licensee (if this is contemplated in the respective licence or sub-licence contract) has standing to sue.

Before an action is brought by the patent holder against the infringer, the accused infringer can file a declaratory action for non-infringement of the patent, as an anticipatory defence measure.

After a patent infringement action is submitted against the infringer, its defence should be filed in such action and may include a counterclaim, notably for the invalidation of the patent.

5 Inducement, and contributory and multiple party infringement

To what extent can someone be liable for inducing or contributing to patent infringement? Can multiple parties be jointly liable for infringement if each practises only some of the elements of a patent claim, but together they practise all the elements?

Although there is no legal provision for contributory infringement, there are legal provisions related to contribution of third parties to patent infringement, apart from the infringer. In particular, within the measures to preserve evidence, the materials and instruments – in the possession of a third party – used in producing and distributing the infringing products can be seized.

Multiple parties may be jointly liable for infringement if each practises only some of the elements (or steps) of a patent claim, but together they practise all the elements (or steps).

6 Joinder of multiple defendants

Can multiple parties be joined as defendants in the same lawsuit? If so, what are the requirements? Must all of the defendants be accused of infringing all of the same patents?

The rules on the coalition of defendants in the Civil Procedural Code state that multiple parties can be joined as defendants in the same lawsuit basically if there is the same and only cause of action against them.

7 Infringement by foreign activities

To what extent can activities that take place outside the jurisdiction support a charge of patent infringement?

A cross-border injunction will be an available measure to deal with these activities.

8 Infringement by equivalents

To what extent can 'equivalents' of the claimed subject matter be shown to infringe?

The doctrine of equivalents is regularly invoked in patent litigation cases and is also regularly considered and applied by the courts and arbitral tribunals.

9 Discovery of evidence

What mechanisms are available for obtaining evidence from an opponent, from third parties or from outside the country for proving infringement, damages or invalidity?

Whenever evidence is in the possession of, held by or under the control of the opposing or a third party, the interested party may request the court that it be presented, provided that, to justify its intentions, it presents sufficient indication of a violation of intellectual property rights.

When the acts in question are practised on a commercial scale, the claimant may also ask the court for the presentation of banking, financial, accounting or commercial documents that are in the possession of, accessible to or under the control of the opposing or third party.

10 Litigation timetable

What is the typical timetable for a patent infringement lawsuit in the trial and appellate courts?

In the trial phase the typical timetable is from a couple of days to one month, depending on the number of witnesses called by the parties and heard at the trial and also on the court's agenda.

In the appellate courts a decision is typically rendered between four and six months.

11 Litigation costs

What is the typical range of costs of a patent infringement lawsuit before trial, during trial and for an appeal? Are contingency fees permitted?

Judicial and court fees are calculated based on the value in dispute, eg, based on the sales of the patented product and its financial relevance on the market. In this sense, the costs of a patent infringement lawsuit differ according to such criteria. Attorneys' fees and experts' fees depend on the number of hours spent on the case (eg, based on an hourly rate) and the complexity of the matter.

Contingency fees are permitted; for example, the costs related to expert evidence.

12 Court appeals

What avenues of appeal are available following an adverse decision in a patent infringement lawsuit? Is new evidence allowed at the appellate stage?

A first-instance decision can be appealed to the second-instance court (Court of Appeal). In particular circumstances, decisions from the second-instance courts can be appealed to the Supreme Court of Justice, which decides only on matters of law.

As a general rule, new evidence at the appellate stage is not allowed.

13 Competition considerations

To what extent can enforcement of a patent expose the patent owner to liability for a competition violation, unfair competition, or a business-related tort?

All these matters could be argued by a defendant in a patent lawsuit – notably in a counterclaim defence – but the court will assess and decide on them naturally, taking into consideration the applicable law, that is, if the requirements of the respective legal provisions are met.

It is difficult to say generally to what extent the enforcement of a patent can expose the patent owner to such situations, as it will very much depend on the specific matter of fact and matter of law alleged by the defendant.

14 Alternative dispute resolution

To what extent are alternative dispute resolution techniques available to resolve patent disputes?

Apart from the already mentioned mandatory arbitration system applicable to litigation cases involving pharmaceutical patents and generic medicines, arbitrations are more broadly available to disputes on IP rights provided that the parties agree to such alternative dispute resolution.

Nevertheless, in the large majority of cases, patent litigation is not discussed in voluntary arbitrations.

Scope and ownership of patents

15 Types of protectable inventions

Can a patent be obtained to cover any type of invention, including software, business methods and medical procedures?

It is not possible to protect, as a patent right: computer programs (as such, with no contributions), schemes, rules or methods for intellectual acts, playing a game or undertaking business and medical procedures.

16 Patent ownership

Who owns the patent on an invention made by a company employee, an independent contractor, multiple inventors or a joint venture? How is patent ownership officially recorded and transferred?

As a general rule, the rights to a patent shall belong to the inventor or his or her successors in title; however, if an invention was made during the performance of an employment contract in which inventive activity is provided for, the right to the patent belongs to the company.

If two or more persons, including joint ventures, have made an invention, any of them may apply for a patent on behalf of all.

Patent ownership is officially recorded at the Patent Office and it is transferred by a contract also recorded at the Patent Office.

Defences

17 Patent invalidity

How and on what grounds can the validity of a patent be challenged? Is there a special court or administrative tribunal in which to do this?

The typical grounds for an invalidity action are the lack of novelty, inventiveness or industrial applicability (industrial use).

The competent court for a patent invalidation action is the Intellectual Property Court.

18 Absolute novelty requirement

Is there an 'absolute novelty' requirement for patentability, and if so, are there any exceptions?

Yes, there is an absolute novelty requirement for patentability.

It should be noted that the following shall not prejudice the novelty of an invention:

- disclosure in official or officially recognised exhibitions falling within the terms of the Convention of International Exhibitions if the application for the patent is filed in Portugal within six months; or
- disclosure resulting from evident abuse of any kind in relation to the inventor or his or her successor in title or publications made unduly by the National Industrial Property Institute.

19 Obviousness or inventiveness test

What is the legal standard for determining whether a patent is 'obvious' or 'inventive' in view of the prior art?

The European Patent Office's jurisprudence on this matter is generally followed, notably the 'could/would' approach.

20 Patent unenforceability

Are there any grounds on which an otherwise valid patent can be deemed unenforceable owing to misconduct by the inventors or the patent owner, or for some other reason?

Yes.

21 Prior user defence

Is it a defence if an accused infringer has been privately using the accused method or device prior to the filing date or publication date of the patent? If so, does the defence cover all types of inventions? Is the defence limited to commercial uses?

According to Portuguese law: 'The rights conferred by a patent are not opposable in Portuguese territory before the date of the application or of priority, if it is claimed against someone who, in good faith, has learned of the invention by his own means and used it or made effective, serious preparations to use it.'

The defence covers all type of inventions and is not limited to commercial uses.

Remedies**22 Monetary remedies for infringement**

What monetary remedies are available against a patent infringer? When do damages start to accrue? Do damage awards tend to be nominal, provide fair compensation or be punitive in nature? How are royalties calculated?

The law states: 'In determining the amount of compensation for losses and damage, the court shall take into account, in particular, the profit obtained by the violator and the resulting damage and lost profits suffered by the injured party.'

The court shall also take the moral damages caused by the violator's conduct into account.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may, provided this is not opposed by the injured party, in the alternative define a fixed amount with recourse to equity, that is based, as a minimum value, on the remuneration that the injured party would have received if the violator had requested authorisation to use the intellectual property rights in question and the costs borne with the protection of the intellectual property right and the investigation and termination of the harmful conduct.

The damages start to accrue from the beginning of the infringement and tend to be nominal.

No punitive damages can be claimed.

Royalties are calculated based on the average amount of the royalties received by the claimant in the position of a licensor, in a licence contract, or on the average amount of royalties practised in the industrial or commercial sector at stake.

23 Injunctions against infringement

To what extent is it possible to obtain a temporary injunction or a final injunction against future infringement? Is an injunction effective against the infringer's suppliers or customers?

Whenever there is violation of, or justified fear that another party may cause serious and difficult-to-repair harm to an intellectual property right, the court may, if the interested party so requests, order the appropriate measures to:

- rule out any imminent violation; or
- prohibit continuation of the violation.

The injunction can be effective against the infringer's suppliers or customers if these are also parties in the injunction proceedings and therefore specifically covered by the court's injunction decision.

24 Banning importation of infringing products

To what extent is it possible to block the importation of infringing products into the country? Is there a specific tribunal or proceeding available to accomplish this?

One of the rights conferred by a patent is the right to prevent or cease the importation of infringing products, which has to be exercised in a patent lawsuit before the Intellectual Property Court. There is no other specific tribunal or proceeding to accomplish this.

Update and trends

Most developing trends in Portugal's patent law are related to the enforcement of computer-implemented inventions.

The agreement on the Unified Patent Court, already ratified by the Portuguese state, is still one of the most discussed matters, notably concerning the possible strong impact on the national economy and business, and also on the legal profession.

An alternative way to prevent or cease the importation of infringing products is an application for customs intervention, but it is not normally put in place regarding patent rights.

25 Attorneys' fees

Under what conditions can a successful litigant recover costs and attorneys' fees?

According to Portuguese law, the court shall, if the interested party so requests, fix a reasonable amount aimed at covering the duly documented costs borne by the injured party in investigating and bringing to an end the violation of its rights. These costs can include attorneys' fees.

However, there is no yet relevant case law supporting the effective recover of attorneys' fees.

26 Wilful infringement

Are additional remedies available against a deliberate or wilful infringer? If so, what is the test or standard to determine whether the infringement is deliberate? Are opinions of counsel used as a defence to a charge of wilful infringement?

There are no additional remedies for this situation but it should be stressed that patent infringement is a criminal offence and the criminal responsibility of the deliberate or wilful infringer can well be addressed in a criminal proceeding before a criminal court.

However, criminal complaints concerning patent infringement are quite rare.

Opinions of counsel should not be effectively used as a defence to a charge of wilful infringement.

27 Time limits for lawsuits

What is the time limit for seeking a remedy for patent infringement?

There is no time limit, although in an injunction proceeding, owing to its urgent nature, the facts related to the awareness of the infringement should be very recent.

28 Patent marking

Must a patent holder mark its patented products? If so, how must the marking be made? What are the consequences of failure to mark? What are the consequences of false patent marking?

A patent holder is not obliged to mark its patented products and, therefore, there are no legal consequences from not marking the patented products.

If the patent holder marks the patented product, the words 'Patented', 'Patent No.' or 'Pat No.' must be used.

Licensing**29 Voluntary licensing**

Are there any restrictions on the contractual terms by which a patent owner may license a patent?

No, but formal conditions must be met; for example, licence contracts must be drawn up in writing and duly recorded at the Patent Office in order to be effective with regard to third parties.

30 Compulsory licences**Are any mechanisms available to obtain a compulsory licence to a patent? How are the terms of such a licence determined?**

A patent holder who, without a good reason or legal basis, does not exploit an invention, directly or under licence, or does not do so in such a way as to meet national needs, may be obliged to grant a licence for its exploitation. The patent holder can be also be obliged to grant an exploitation licence for an invention if he or she ceases to exploit it for three consecutive years without a good reason or legal basis. The patent holder may also be obliged, in the public interest, to grant a licence for the exploitation of the invention.

Compulsory licences must be requested from the Patent Office, and the interested parties – the applicant and the patent holder – are allowed to file their arguments on the request.

If the Patent Office decides in favour of the granting of the compulsory licence, it shall give both parties one month to appoint an expert who, together with the expert appointed by the Patent Office, shall agree, within two months, on the conditions of the compulsory licence and the compensation to be paid to the patent holder.

Patent office proceedings**31 Patenting timetable and costs****How long does it typically take, and how much does it typically cost, to obtain a patent?**

If no oppositions are filed – in Portugal, oppositions to a patent application are filed before the granting of a patent, contrary to what happens in a European patent application – the average patenting timetable is between one and two years.

The costs – the Patent Office's fees – are between €200 and €600.

32 Expedited patent prosecution**Are there any procedures to expedite patent prosecution?**

Yes.

33 Patent application contents**What must be disclosed or described about the invention in a patent application? Are there any particular guidelines that should be followed or pitfalls to avoid in deciding what to include in the application?**

The mandatory rules for a patent application are the following:

- claims as to what is considered new and characterises the invention;
- description of the invention;
- drawings required for a perfect understanding of the description; and
- summary of the invention.

Claims must define the object of the protection requested and must be clear, concise, correctly written and based on a description. They must contain, when appropriate:

- a preamble mentioning the object of the invention and the technical characteristics required to define the elements claimed, but that, in combination, form part of the state of the art; and
- a description preceded by the words 'characterised by' and describing the technical characteristics in connection with the characteristics indicated in the previous subparagraph, defining the extent of the protection requested.

The description shall give a brief, clear indication, with no reservations or omissions, of everything making up the invention and contain a detailed explanation of at least one way of making the invention, so that any person skilled in the art may carry it out.

Drawings must consist of figures confined to the number strictly necessary for an understanding of the invention.

The summary of the invention for publication in the Industrial Property Bulletin:

- consists of a brief overview of the description, claims and drawings and preferably shall not contain more than 150 words; and
- is exclusively for technical information purposes and shall not be taken into consideration for any other purpose, such as determining the extent of the protection requested.

The specific formal requirements for a patent application are defined in guidelines available at the Patent Office.

34 Prior art disclosure obligations**Must an inventor disclose prior art to the patent office examiner?**

No.

35 Pursuit of additional claims**May a patent applicant file one or more later applications to pursue additional claims to an invention disclosed in its earlier filed application? If so, what are the applicable requirements or limitations?**

No.

36 Patent office appeals**Is it possible to appeal an adverse decision by the patent office in a court of law?**

Yes, the following decisions may be appealed:

- those granting or refusing intellectual property rights; and
- those regarding transfers, licences, declarations of expiry or any other acts that affect, alter or extinguish intellectual property rights.



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37 Oppositions or protests to patents

Does the patent office provide any mechanism for opposing the grant of a patent?

The Patent Office's decisions granting or refusing a patent application may be appealed before the Intellectual Property Court.

38 Priority of invention

Does the patent office provide any mechanism for resolving priority disputes between different applicants for the same invention? What factors determine who has priority?

No.

39 Modification and re-examination of patents

Does the patent office provide procedures for modifying, re-examining or revoking a patent? May a court amend the patent claims during a lawsuit?

Yes, such procedures are available.

The court may amend the patent claims in a lawsuit.

40 Patent duration

How is the duration of patent protection determined?

According to the law, the duration of a patent is 20 years from the date of application.

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