



The Legal 500 & The In-House Lawyer
Comparative Legal Guide
Portugal: Patent Litigation

This country-specific Q&A provides an overview of the legal framework and key issues surrounding patent litigation law in Portugal.

This Q&A is part of the global guide to Patent Litigation.

For a full list of jurisdictional Q&As visit <http://www.inhouselawyer.co.uk/index.php/practice-areas/patent-litigation/>



Country Author: VdA

The Legal 500



Sara Nazaré, Managing Associate

ssn@vda.pt

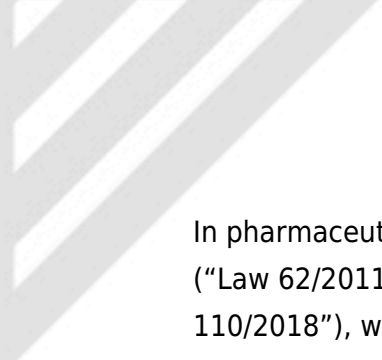


Beatriz Lima, Senior Associate

bbl@vda.pt

1. **What is the forum for the conduct of patent litigation?**

VdA: Patent litigation generally takes place before the Intellectual Property Court (“IP Court”). This specialised state court, with jurisdiction at a national level, has been operating in Portugal since 30.03.2012 and is competent to handle all actions concerning industrial property in all forms as provided in law, including both patent enforcement and invalidation proceedings. The IP Court is composed of 3 judges, who generally do not have a technical background. The judges are however usually assisted during the final hearing by technical advisors, designated by institutions in the relevant technical field of the matter in dispute.



In pharmaceutical patent cases, litigation under Law no. 62/2011, of 12 December (“Law 62/2011”), as amended by Decree-Law 110/2018, of 10 December (“DL 110/2018”), was designed as a pre-emptive action. According to this regime, the parties (patent holder and generic company) can agree to submit the dispute to voluntary arbitration within 30 days of the publication of the marketing authorization (“MA”) application by the relevant medicines agency, INFARMED; if they don’t, the patent holder shall bring the case before the IP Court within the same period, by filing a full statement of the case.

Patent infringement is considered a criminal offence, so criminal proceedings are also available and are conducted before the criminal courts. These are however not usual. For alternative dispute resolution in patent cases, please see our answer 19.

2. What is the typical timeline and form of first instance patent litigation proceedings?

VdA: Typically, validity and infringement (combined or not with damages) main actions are litigated at the same time (even if they are separately filed, the IP Court will in principle either attach both cases or stay the infringement case on the basis that the revocation case is prejudicial to the former). A patent law suit in the IP Court, with minor procedural issues, usually takes 1½ - 3 years to obtain a first-instance decision. Such timing will always depend on the complexity and the number of the matters involved. Typically proceedings take longer if, e.g., (i) the case involves foreign companies, (ii) parties request for a technical expertise to be carried out, (iii) new documents [technical or other] are attached by the parties during the course of the proceedings. Preliminary injunctions (“PI”) may take 8 months-1½year to be decided.

Patent proceedings brought under Law 62/2011 before an arbitral tribunal (“AT”) were typically (albeit not always) construed on the basis of threat of infringement. The issue of the AT’s jurisdiction to decide on patent validity with inter partes effect was commonly raised by the defendants, but the matter is still under discussion. Arbitral main actions would typically take 1-2 years as from the filing of the statement of case to be concluded in 1st instance (cf. paragraph above for the aggravating time factors).

Due to the scarcity of criminal patent infringement cases, a timeline is hard to provide.

3. **Can interim and final decisions in patent cases be appealed?**

VdA: All court decisions are in principle subject to appeal in one or two degrees. The appeal to be lodged against a decision of the IP Court will be filed to the Lisbon Court of Appeal (judicial second-instance court, "LCA"), both on matters of fact and of law. A decision can be expected within 1-2 years. The decision of the LCA may be subject to a further appeal to the Supreme Court of Justice ("SCJ"), depending on the circumstances of the case. The SCJ decides only on matters of law. In both courts, the appeal is assessed by a panel of three judges and, in principle, has not a suspensive effect.

Should any unconstitutionality arise, appeals may be filed to the Constitutional Court subject to some formal requirements being met. The majority of the interim decisions are appealable along with the final decision, although some interim decisions may be subject to an autonomous immediate appeal in certain cases expressly provided in the law.

PIs follow the same regime, although it is generally not possible to appeal to the SCJ except in very special and rare cases.

In pharmaceutical cases brought under Law 62/2011, the discussion is still open on whether the appeal to the SCJ is admissible in accordance with the general CPC rules or only on the very special circumstances that govern also the appeal for PI.

4. **Which acts constitute direct patent infringement?**

VdA: The Industrial Property Code ("IPC") provides that "the patent confers upon the holder the exclusive right to exploit the invention anywhere in the Portuguese territory", so the patent holder is entitled to prevent any unauthorized third parties from carrying out any activity which may be considered as an "exploitation of the invention", notably the manufacture, offer, store, market or use of the patented product, or the importation or possession thereof, for any of the mentioned purposes,

without his content.

5. **Do the concepts of indirect patent infringement or contributory infringement exist? If, so what are the elements of such forms of infringement?**

VdA: Yes. The patent holder has the right to prevent any third parties that supplies or offers to supply a person who is not entitled to exploit the patented invention with any of the means, relating to an essential element of the invention, for putting the invention into effect, when he or she knows or should know that those means are suitable for putting and intended to put the invention into effect (with the same exception of Article 26(2) of the Agreement on a Unified Patent Court).

6. **How is the scope of protection of patent claims construed?**

VdA: The relevant IPC provision that determines a patent scope of protection is tailored on Article 69 of the European Patent Convention - "EPC"), so patent claims are generally interpreted under this legal criterion.

There is no provision of the Portuguese law that foresees 'equivalents' for determining the extent of protection by a patent. However, such doctrine is invoked in patent litigation cases and is also considered and applied by the courts and arbitral tribunals, although not in a harmonized way.

The prosecution history may also play an important role in determining the scope of patent protection, notably whenever the doctrine of equivalents is argued, but also in invalidity matters. The briefs and documents filed with the Patent Office also play a role in determining the scope of a patent

7. What are the key defences to patent infringement?

VdA: Non-infringement and patent invalidity are the most common defences to patent infringement.

Although rarely applied in practice, the interested parties can also invoke (apart from general procedural objections):

- a) legal limitations of the rights conferred by a patent;
- b) exhaustion of rights;
- c) non-opposability; or
- d) the existence of a licence.

8. What are the key grounds of patent invalidity?

VdA: In accordance with IPC, patents shall be totally or partially null: a) if its object does not meet the requirements of novelty, inventive step and industrial application; b) when any essential formalities for the grant have been disregarded; or c) when public policy rules have been breached; d) when the protected subject matter is not patentable; e) the title and summary of the patent relates to a subject matter different from the invention; and f) the invention has not been described in a sufficient manner for it to be carried out by a skilled person.

In general, patents shall be totally or partially annulable if the holders are not entitled to them, namely: a) if the right does not belong to them; or b) if they were granted with disregard for the rights set forth in the procedural rules set out in the IPC.

Added matter is not listed as a specific ground for revocation, rather for rejection.

9. How is prior art considered in the context of an invalidity action?

VdA: The state of the art shall be held to comprise everything made available to the

public before the priority date, by means of a description, by use or in any other way, and the content of patent and utility model applications filed prior to the patent application, to be effective in Portugal but not yet published, provided that they are published on the same date or after the priority date.

The Portuguese courts and tribunals generally follow the EPO case law when discussing the prior art.

10. **Can a patentee seek to amend a patent that is in the midst of patent litigation?**

VdA: Patents can be amended, provided that such amendments do not affect the elements of the patent that are essential and characteristic thereof. An amendment application cannot be opposed but any third party who might be “directly and effectively affected” by INPI’s decision may appeal the decision.

Patents may be limited (the amended claims shall not extend the protection of the patent as granted) either via the administrative route before INPI (a) or the judicial route before the IP Court (b):

a) The IPC does not expressly provide for the requirements that need to be examined. INPI will assess and decide on whether the amended claims reduce the scope of protection of the patent as granted, whether the amended claims are clear, supported by the description and do not add matter beyond the application as filed. A decision by INPI takes approximately 2-5 months. If the limitation is granted, INPI publishes a notice of the alteration of the claims. The IPC does not provide for a deadline for third parties to oppose the limitation application but any third party who might be “directly and effectively affected” by INPI’s decision may appeal the decision within 2 months of the respective publication (or the date of the respective certificate requested by the appellant, if made earlier). If the amendment is not granted, INPI only communicates the decision to the applicant. The patentee may appeal this decision to the IP Court, within 2 months from the date of reception of the communication of the decision denying the limitation.

b) The patent holder is entitled to limit the claims before the IP Court. The limitation of the scope of protection of a patent claims in court proceedings is uncommon in Portugal.

11. **Is some form of patent term extension available?**

VdA: The duration of a patent is 20 years from the date of application. An extension may be granted to pharmaceutical and phytopharmaceutical products that have been authorised by regulatory authorities by means of a supplementary protection certificate (“SPC”), under the general applicable European law and case law (notably and respectively Regulation no. 469/2009 and Regulation no. 1610/96).

The SPC applications can be opposed before INPI and granted SPC can be judicially challenged on the same terms as patents, typically for not meeting the requirements of the corresponding SPC Regulations.

12. **How are technical matters considered in patent litigation proceedings?**

VdA: Five types of experts should be considered:

1. expert witnesses who will provide evidence before the court: they are appointed by the parties; as a rule, they are examined during the hearing (where they need to take an oath), although they may also give written testimonies (affidavit); cross-examination is always permitted; they shall be independent and have no direct or indirect interest in the dispute; their oral declarations are recorded.
2. technical advisors to assist each of the parties during the hearing: they assist the counsels and have the same powers granted to the counsel during the hearing.
3. technical advisors to assist the court during the final hearing: they assist the court in technical matters; they are appointed by the court, usually following a discussion between the parties on the characteristics that he or she should have and on the Portuguese public institution that should be notified to indicate someone; they may ask questions to any witnesses during the hearing.

4. technical experts who provide written opinions: these documents can be attached as evidence at any time prior to the delivery of the decision.
5. expertise conducted by a single expert / team of experts: it may be ordered *ex officio* by the judge or upon request by any of the parties and it is usually conducted by a team of three experts (two competing experts and one court appointed); the expert(s) must give answers to direct questions and facts by means of a technical report and may be required to attend the oral hearing to provide any oral clarifications on the expert report.

13. **Is some form of discovery/disclosure and/or court-mandated evidence seizure/protection (e.g. saisie-contrefaçon) available, either before the commencement of or during patent litigation proceedings?**

VdA: There is no discovery phase in Portugal. However, the IPC contemplates measures and procedures that correspond to articles 6 and 7 of the Enforcement Directive.

There is no significant case law in Portugal that could give an indication about the level of the evidence of the infringement or of the prospective infringement that would be necessary to succeed on an application for those orders.

14. **Are there procedures available which would assist a patentee to determine infringement of a process patent?**

VdA: Yes, there is a reversal of the burden of proof for process claims / process patents for new products in patent enforcement proceedings (main proceedings and PIs).

Furthermore, please see reply to 13 above (where the court may order the submission of evidence which may include a process description).

15. **Are there established mechanisms to protect confidential information required to be disclosed/exchanged in the course of patent litigation (e.g. confidentiality clubs)?**

VdA: The IPC has recently transposed Directive (EU) 2016/943 and the confidentiality measures provided therein are now expressly provided for in the IPC (since 1 January 2019). There is still no relevant case law on the matter.

16. **Is there a system of post-grant opposition proceedings? If so, how does this system interact with the patent litigation system?**

VdA: No. However, INPI's decision to grant a patent may be subject to an appeal before the IP Court. Such appeal can be filed by the party that has submitted the opposition at the patent office against the patent application and/or anyone "*directly and effectively affected*" by INPI's decision to grant the patent.

17. **To what extent are decisions from other fora/jurisdictions relevant or influential, and if so, are there any particularly influential fora/jurisdictions?**

VdA: Although not binding, at least some weight will be given by Portuguese Courts to decisions in other member states (particularly in parallel proceedings).

18. **How does a court determine whether it has jurisdiction to hear a patent action?**

VdA: Apart from cases in which the parties have reached an agreement to settle an infringement dispute in arbitral proceedings, the court with jurisdiction to hear patent actions (infringement and validity) is the IP Court.

19. **What are the options for alternative dispute resolution (ADR) in patent cases? Are they commonly used? Are there any mandatory ADR provisions in patent cases?**

VdA: The parties are entitled to seek alternative means of dispute resolution such as mediation or voluntary arbitration. However, this route is almost never used in relation to patent disputes. Yet often the parties manage to reach an alternative solution to litigation by executing an agreement either before or during pending proceedings.

20. **What are the key procedural steps that must be satisfied before a patent action can be commenced? Are there any limitation periods for commencing an action?**

VdA: Cease and desist letters may be sent, although not procedurally required.

Nullity can be argued at any time. Annulment actions must be filed within a 5-year period after the grant of the patent. In pharmaceutical patent cases, an agreement with the generic to submit the dispute to arbitration must be achieved within 30 days from the publication of the MA application by INFARMED or an action should be brought before the IP Court within the same period (Law 62/2011).

21. **Which parties have standing to bring a patent infringement action? Under which circumstances will a patent licensee have standing to bring an action?**

VdA: Patent holders have legal standing. The licensees or sub-licensees also have standing to enforce a patent, alone or together with the patentee, since they enjoy all the powers of the patent holder except otherwise provided in the (sub-)licence agreement, which must be registered with INPI.

22. **Who has standing to bring an invalidity action against a patent?
Is any particular connection to the patentee or patent required?**

VdA: The Public Prosecutor's office or any interested party (which is usually demonstrated by the fact that they intend to exploit the invention) are entitled to bring an invalidity action.

23. **Are interim injunctions available in patent litigation proceedings?**

VdA: PIs can be decreed on the basis of threat of infringement or actual infringement. For the last type, it suffices to prove the right ownership right and its infringement; however, if there is only a threat of infringement, it must be also established the irreparable harm (which may be difficult to prove).

The chances of success in PI proceedings depend largely on the amount of evidence produced by the parties.

Ex parte PI are available but from our experience they are very unlikely to be granted. If invalidity is raised, the courts will consider it and will put a weight on foreign decisions about the same right; the same tends to happen with infringement. The level of evidence that is required (notably the hearing) is similar if not the same as main hearings.

In the IP Court, a decision should take 6-8 months to be taken; in the arbitral tribunals, they may take 3-6 months.

The provision of a bond is not required for a PI to be granted but can be fixed by the courts (although it is not that common).

According to a recent decision of the LCA, the liability for ungrounded PI should be considered a strict liability (i.e. the fault of the PI applicant must be established).

24. **What final remedies, both monetary and non-monetary, are available for patent infringement? Of these, which are most commonly sought and which are typically ordered?**

VdA: Patent holders typically apply for injunctions (for the infringers to be ordered not to exploit the invention e.g. by practising any of the expressly prohibited conducts). The Court may also order the infringer to pay a recurring penalty payment and corrective measures, such as the ones provided in Article 10 of the Enforcement Directive. Other remedies may include damages.

25. **On what basis are damages for patent infringement calculated? Is it possible to obtain additional or exemplary damages?**

VdA: In determining the amount of compensation for losses and damages, the court shall consider the profits obtained by the infringer, the resulting damages and lost profits suffered by the injured party, the costs borne with the protection of the right in question, the investigation and termination of the harmful conduct, the revenue resulting from the violator's unlawful conduct.

Usually, the evidence in this regard is produced by means of expert evidence with the necessary inspection of the parties' commercial accounts. If the mentioned damages aspects fail to be evidenced, there is also the possibility of calculating damages based on the licence analogy criteria. In the absence of specific evidence for the purpose of calculating the damages or regarding the total extent thereof, the decision may also determine that the damages be ascertained during the phase of execution against the infringer. The Court may consider ordering non-pecuniary damages to the rights holder.

26. **How readily are final injunctions granted in patent litigation proceedings?**

VdA: The most relevant patent-related case law comes from the pharmaceutical litigation, which until recently was being discussed in the administrative courts (initially) and after 2012 before *ad hoc* arbitral tribunals. Now that the mandatory arbitral regime that had been enacted by Law 62/2011 was revoked by Decree-Law 110/2018, the majority of patent litigation will take place before the IP Court. From the limited number of decisions issued by the IP Court, the judges tend to address validity first and to consider foreign decisions relating to the same patent. If they decide the case in favour of the patentee, they typically grant the requested injunction.

27. **Are there provisions for obtaining declaratory relief, and if so, what are the legal and procedural requirements for obtaining such relief?**

VdA: While non-infringement declarations are procedurally possible, these are extremely scarce.

28. **What are the costs typically incurred by each party to patent litigation proceedings at first instance? What are the typical costs of an appeal at each appellate level?**

VdA: Two different aspects shall be considered:

(i) the value of the proceedings: The value of the proceedings in cases where patent rights (as immaterial rights) are at stake is typically set at € 30.000,01. In this case, each party will have to pay 1.224,00€ (in different phases of the proceedings and the judicial fee of the appeal is of 306,00€. However, the Court may set a different value for the case, considering different aspects, e.g., the amount of pecuniary interest of the claimant, the complexity of the case, which may lead to a substantial increase of the

costs. In this case, it is hard to predict which will be the costs of the patent law suit.

(ii) the amount that each party shall pay at the end of the proceedings: according to Portuguese civil procedural law, at end of the proceedings, the Court will fix the responsibility of the parties for the costs to the extent to which the action was unsuccessful, being the due amount paid by the losing party directly to the Court.

(iii) Other administrative costs: translators, advisors to the court, experts.

29. **Can the successful party to a patent litigation action recover its costs?**

VdA: The winning party may ask the losing party to proceed with the payment of all the court fees paid by the winning party, plus 50% of all legal fees paid by the Claimant and by the Defendant to compensate the attorney's fees, as well as the costs incurred in with translations, witnesses' displacement, court's advisor, experts (when the expertise is ordered by the court) and certificate fees (when ordered by the court).

30. **What are the biggest patent litigation growth areas in your jurisdiction in terms of industry sector?**

VdA: Pharmaceutical and electronics/software.

31. **What do you predict will be the most contentious patent litigation issues in your jurisdiction over the next twelve months?**

VdA: Second medical use patents, SPCs, damages, and evidence productions (particularly, the protection of the related trade secrets)

32. **Which aspects of patent litigation, either substantive or procedural, are most in need of reform in your jurisdiction?**

VdA: The limited number of judges in the IP Court and their limited previous experience in IP litigation, the administrative procedure for patent grant, the grounds for patent revocation and the special regime of pharmaceutical patents enforcement (Law 62/2011).

33. **What are the biggest challenges and opportunities confronting the international patent system?**

VdA: The Unified Patent Court, artificial intelligence, trade secrets, data protection and competition matters.