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DEVELOPMENTS IN THE IP LANDSCAPE

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As of January 2019, the Patent Office Fees Act was amended in that several official fees were reduced. For example, a request for a change of name encompassing several IP rights of the same type now requires only a fee for one IP right to be paid.

The Trademark Act was also amended as of January 2019 in order to comply with the Directive (EU) 2015/2436 to approximate the laws of the Member States related to trademarks. A trademark may now consist of any sign as long as it is distinctive and may be presented in any way, ie, not only graphically.

The position of trademark owners was strengthened, especially with regard to opposition and cancellation proceedings. The start of the five-year grace period for use is no longer the registration date but now depends, if applicable, on the termination of an opposition proceeding.

Patents and supplementary protection certificates (SPCs)

Equivalence

As a summary of the case, in the course of infringement proceedings the crucial question was whether the substitution of one derivative of an active ingredient of a pharmaceutical by another derivative falls under the scope of protection by the claims.

On this occasion the Vienna Upper Provincial Court (VUPC) cited three criteria, known already from juristic literature, which have to be fulfilled cumulatively in order to prove equivalence:

- The modified embodiment solves the problem on which the invention is based by means which are modified but have, seen objectively, the same effect (equivalent effect).
- A person skilled in the art can realise on basis of her/his skills that the modified means used in the embodiment for solving the problem on which the invention is based have the same effect (obviousness).
- The considerations of a person skilled in the art are guided by the meaning of the technical solution protected by the patent claims in that the person skilled in the art regards the different embodiment with its modified means as an equivalent solution of the patented embodiment (equivalence).

Modifications

According to the Austrian Patent Act and European Patent

Regulation, modifications of granted patent claims are admissible only as long as they do not affect the substance of the invention. An extension of the scope of protection is inadmissible.

In the course of a nullification proceeding against the Austrian part of a European Patent the VUPC stated that any admissible amendments are restricted to a "minus" of protection.

A "plus" as well as an "aliud" (something else) would not meet that attribute. Furthermore, a restriction of the scope of protection would be inadmissible if the reduced scope (or part of it) would lie outside the original scope of protection. This case would also constitute an aliud (but not a minus).

Inventive step

In the course of two nullification proceedings against the Austrian parts of European patents the VUPC cited the European Patent Convention in that an invention shall be considered as involving an inventive step if, having regard to the state of art, it is not obvious to a person skilled in the art.

According to the "problem-solution approach" the closest state of art is at first to be ascertained, whereupon the technical task is to be determined and finally it is to be evaluated whether the invention was obvious to a person skilled in the art in view of the relevant state of art and the technical problem.

According to the "could-would approach" a new development does not automatically lack an inventive step if a person skilled in the art could have reached it in view of the state of art. An inventive step would be missing only if a person skilled in the art would have actually suggested the development on basis of a sufficient cause expecting an improvement or advantage.

Active ingredients

The object of an SPC is a product but not the invention protected by the basic patent. This is according to the rulings of the Court of Justice of the European Union, which have said an SPC cannot be granted for active ingredients that are not disclosed in the claims of the basic patent.

It is, however, not required that the active ingredient is disclosed in the claims of the basic patent by a structural formula. A functional formula given in the claims of the basic patent may also suffice for the definition of a product. In that case it is, however, a prerequisite that the claim

refers implicitly but necessarily to the product in question, namely in a specific way and manner.

This decision concerning the product Nepafenac, Vienna Upper Provincial Court, 10.02.2016, 34 R 138/15m, was released in connection with a SPC application for a product whose active ingredient was not mentioned and defined in the specification and claims of the basic patent.

An SPC application was rejected by the Austrian Patent Office, the VUPC and Austrian Supreme Court because it concerned a product containing a combination of three active ingredients, whereas in the basic patent only two active ingredients were specifically mentioned. It was held that an SPC can be granted only for a product that is covered by the scope of protection of an upright basic patent. An active ingredient which is just mentioned as "other therapeutic constituent, if applicable" is not disclosed by the basic patent.

Designs

In the course of an infringement dispute of a Community design the Supreme Court had again the opportunity to emphasise some criteria, namely:

- The matter of design protection is not the product per se, but its appearance (therefore an infringement can occur even if the products are completely different).
- An infringement is given if an "informed" user gains the same overall impression (an "informed" user has more knowledge than an "average consumer" without being, however, an "expert of the art").
- A comparison between the design supporting the plea and the infringing product has to be performed mentally on the same level of perception (eg, if the design is registered as a line drawing then the product has to be brought into the same level of abstraction before performing the comparison).

Trademarks

Exhaustion of trademark right

A foreign group distributing its branded goods in the European Economic Area (EEA) by way of a selective distribution system detected that an Austrian company, which is not a member of this system, offers and sells branded goods which, however, were not intended for the Austrian market.

The group sued the Austrian company for discontinuance and at the same time requested a temporary injunction because, according to its view, the trademark right was not yet exhausted. The Austrian company objected in that it had obtained the branded goods from a trader in the EEA but cannot prove it without revealing its source of supply, which then would dry up. This was accepted by the court of first instance (Vienna Commercial Court), which assumed a reversal of the burden of proof to the plaintiff.

As the plaintiff did not prove that its trademark-right was not yet exhausted the request for temporary injunction was rejected.

The recourse court (VUPC) released, however, the temporary injunction which was also approved by the Supreme Court. It held that a selective distribution system must not necessarily lead to a market segregation which could result in different selling prices in different countries.

The burden of proof that such a segregation took place did lie, however, with the defendant because the prerequisites for a reversal of burden of proof to the plaintiff were not given. As the defendant did not prove the exhaustion of the trademark right of the plaintiff the latter had to succeed.

Similarity of goods

The VUPC departed in a recent decision from the legal practice of the Nullity Department of the Austrian Patent Office as well as the EU Intellectual Property Office.

It declared on one hand "cacao" and on the other hand "coffee and tea" as well as on one hand "sauces, mustard, vinegar and other condiments" and on the other hand "preserved and dried vegetables" as not similar.

Copyright

In the course of a discontinuance suit the Austrian Supreme Court came to the following conclusion with regard to the scope of protection of a piece of art with a technical effect.

The question of whether technique and art are combined in a piece of work and represent a piece of art in the sense of the Austrian Copyright Act (*Urheberrechtsgesetz*) can be solved only by investigation of how much the used figurative elements are determined technically and how much they were merely chosen because of their configuration and for reasons of taste, beauty and aesthetics. The question is therefore whether the configuration is to be attributed to the technician or the artist.

The legal definition as a piece of art does not depend on the mere subjective ideas or considerations of the creator, his/her inspiration and his/her act of creation, nor from opinions and impressions of design experts or other third persons, but from the objective shape of the piece of work.

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Professional representation before the Austrian Patent Office and the Vienna Upper Provincial Court as well as in matters of protection of plant varieties before the competent administrative authorities. Professional representation before the European Patent Office (EPO) and the European Union Intellectual Property Office (Trademarks and Designs) (EUIPO - Alicante).

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