IPR STRATEGY & ORGANIZATION
IPR ENFORCEMENT
SEMINAR TASK

ADVOKATBYRÅN GULLIKSSON
Hans-Anders Odh
Partner
Which blocks should be included in an IPR organization...

1. IPR Strategy
2. IPR Disclosure
3. IPR Creation
4. IPR Management

5. IPR Watching
6. IPR Enforcement (defense strategies)
7. IPR Commercialization
A concept of many meanings…

- "It’s about money, one way or the other”
- The aim is to increase revenues or to avoid costs
- A structured way of using all means and possibilities of IPR to support and develop the business of the company in the best way – to create an IPR organization.
IPR STRATEGY & ORGANIZATION

1. IPR Strategy

Why dealing with IPR …

– Protect the own business – to create a freedom to operate
– Protect investments in research, development, corporate identity and marketing.
– Create competitive advantages.
– Create possibilities to additional revenues from licenses.
– IPR can be the main business model for the company (R&D life science companies, patent pool companies).
1. IPR Strategy

IPR Policy documents:
- Trademark & patent manuals
- Invention disclosure forms
- Design disclosure forms
- Trademark disclosure forms
- Securing of Evidence forms
- Other policy documents or guidelines
1. IPR Strategy

Trademark manual:
- Right to a trademark
- Contents of the right to a trademark
- A loss of right to a trademark
- The use of the symbols ™ and ®
- Creating a trademark
- Building a brand
- Old trademarks
1. IPR Strategy

Trademark manual:
- How to use trademarks in general on products
- Copyright
- Domain names
- Unfair competition
- What is an infringement – when to report?
- What are we doing about infringement? What can I do?
- What if I have more questions about trademarks or infringements?
1. IPR Strategy

Trademark manual:
- Product name policy;
  - Product name vs House mark
  - When to protect?
  - What are the steps for the legal name creation
- Trademark disclosure forms
IPR STRATEGY & ORGANIZATION

1. IPR Strategy

Patent Manual:
- What kind of technology to protect?
- Trade secret vs patent?
- Business case?
- How do the competitors act?
- Licensing in or out?
- Where to protect?
- Patent extensions?
1. IPR Strategy

Patent Manual:
- Invention disclosure forms
- Incentive programs
- Guidelines for R&D-projects (e.g. novelty searches)
- Guidelines for business and product centres (e.g. FTO searches)
- Product marking
- How to disclose infringement
- How to deal with C&D letter and threats
- Educational policies for IPR
- Competitor watching
The interfaces for an IPR organization:

- Management
- Marketing department
- Sales department
- Product development
- IT-, domain name and web issues
- Legal department
- Global network of attorneys
- etc
2. IPR Disclosure

IPR Disclosure:
- IPR Board decides
- Evaluation of new product names, designs and inventions
- Freedome to operate investigations
- Clearance searches
- Joint R&D agreements
- In-licenses
2. IPR Disclosure

IPR Disclosure:
– Trademarks

1. The Product Team
2. The Trademark Board
3. Local Trademark Attorneys
4. The Trademark Board
5. Filing dept.

Group Management

IP Co-ordination Functions

IP Board

National Attorneys
National Attorneys
National Attorneys

Product Managers or R&D Teams
IPR STRATEGY & ORGANIZATION

2. IPR Disclosure

Forms for product name creation:

- Proposed Product Name
- Name and address of the intended owner of the Product Name
- Countries where the Product Name is to be registered.
- A detailed description of products
- Etc.

CONFDENTIAL TRADEMARK DISCLOSURE FORM
IPR STRATEGY & ORGANIZATION

2. IPR Disclosure

Forms for product name creation:

- Costs anticipated for the launch and marketing
- The individual costs and total costs anticipated for the registration of Product Name
- Information on any conducted search
- An assessment of any potential infringements and any expected damages linked thereto
- Name of responsible contact person of the applicant
- Date of first use
- etc
3. IPR Creation

IPR Creation:
- Filing strategy – where and how
- Applications – national applications, regional systems or international systems (EU trademarks, EU Design, WIPO trademarks, PCT, EP-patent, Unitary Patent etc.)
- Prosecution
- Registration
IPR STRATEGY & ORGANIZATION

4. IPR Management

IPR Portfolio Management – streamlining and cost efficiency

- Renewals and annual fees
- Case management system - On line access for clients etc.
- Consolidation of foreign attorneys – creating a streamlined and cost efficient global team of portfolio management and enforcement lawyers
IPR STRATEGY & ORGANIZATION

4. IPR Management

IPR Portfolio Management – streamlining and cost efficiency

- Consolidation of IPR portfolio
- Replacement
- Seniority
- Review of portfolio – enough – to much?
- Licensing possibilities
5. IPR Watching

IPR Watching:

– Watch for third party filings
– Watch for infringement on internet, e-commerce sites, search engines, trade fairs, show rooms etc.
– Internal control of use in accordance with manuals and policies.
– Custom controls
– Private Investigators
IPR Enforcement:

- Learn when to act from IPR Policy document
  - Identical marks for identical goods
  - Similar marks for goods included in core classes
  - Core patents
  - Central design
  - etc
ENFORCEMENT STRATEGIES

6. IPR Enforcement

IPR Enforcement:

- Define in detail the marking and identity of originals, authorized distributors and retailers
  - Spare parts
  - Trade dress
  - Packages
  - Invoices
  - etc
- Corporate identity standard

- Uses consistent packaging and labeling for its products and parts throughout the world.
  - Genuine parts are distributed through a distribution network and are sold exclusively through a dealer network.
  - In general, parts are distributed to dealers (and in some cases directly to customers) from logistics distribution centers - and are always accompanied by a valid invoice.
ENFORCEMENT STRATEGIES

6. IPR Enforcement

IPR Enforcement:

- Serial numbers
- Modell numbers
- Location of manufacture
- Destination market
- Produkt id.

In order to disclose counterfeit goods or parallel import
ENFORCEMENT STRATEGIES

6. IPR Enforcement

IPR Enforcement forms – securing of evidence:

- Target
- Infringing act, location and time
- Securing of evidence, photo, invoice, offer, marketing test purchase, pricing etc
- Information on upstream suppliers and manufacturers
- Other information of value

Smartphone app: IPR Defender tool

Smartphone app: IPR Defender tool

[Diagram showing data flow from smartphone app to dashboard and database, followed by web reports]
6. IPR Enforcement

IPR Enforcement team:

- Group Management
- IP Co-ordination Functions
- IP Board
  - National Attorneys
  - National Attorneys
  - National Attorneys
  - Product Managers or R&D Teams
6. IPR Enforcement

Enforcement strategy – dominant position

- Policy documents should inform if there is a risk for dominant position
- In such case an IPR enforcement action could violate competition law e.g. being abuse of dominant position, if the action:
  - cannot reasonably be considered as a normal and honest attempt to protect the IPR
  - only serves to harass a competitor and
  - is conceived in a framework of a plan whose goal is to eliminate competition
IPR Commercialization:
- Licensing
  - "Litigation driven" or
  - "License driven"
- Sale and lease back
- Cross licenses
- Joint R&D
IPR ENFORCEMENT STRATEGIES

Hans-Anders Odh
Advokatbyrån Gulliksson
Partner
ENFORCEMENT STRATEGIES

6. IPR Enforcement

IPR Enforcement:

- a global strategy is often needed – to deal with cross boarder infringements
- strategy from the IPR owner’s view
- strategy from the alleged infringer’s perspective
- strategy is governed primarily on business reasons and not on legal reasons only
6. IPR Enforcement

IPR Enforcement:
- Anti piracy (custom control and custody)
- Interlocutory injunctions
- Raids to secure evidence etc
- Discovery actions and injunctions
- Damages
- Cross border litigations
- Forum shopping
- Oppositions
- C&D letters
- Etc.
ENFORCEMENT STRATEGIES

6. IPR Enforcement

IPR Enforcement – against whom and where?

• Focus on the source of the infringement
  – Manufacturers
  – Distributors
  – Export and import undertakings
• Avoid retailers, agencies or individuals
  Exemptions:
  – Large retailers and quantities
  – Obtaining information on up-stream suppliers
  – Warning to others
  – Weak opponent in a beneficial jurisdiction
• Aim at cease or take in custody
  – Counterfeit goods
  – Moulds - tools
  – Computer files or software for control of manufacture
  – Machines for manufacture

Figure 2: Breakdown of the number of articles seized by origin of goods
ENFORCEMENT STRATEGIES

Combination of rights

Galaxy Tab 10.1

D’889 Patent

FIG. 1
THE STRATEGY OF THE "INFRINGER"

- Check the IPR of the competitors
- Conduct FTO searches
- Questioning the inventorship or authorship and chain of successors
- Investigate case law in correspondent cases where the courts have ruled against the IPR owner
- IPR organization; a network of lawyers and expert that can respond quickly
- Monitor court case lists so that no ex parte actions have been initiated (*Schutzschrift* i Tyskland)
- Request a specification of the claims (claim chart)
- Request re-examination (t.ex. i USA)
- Check whether competition or unfair competition law are violated
- Initiate action first to chosen forum
  - Torpedo action
  - Courts that are not IPR owner friendly, but rather favor free competition
  - Expensive forum
- Invalidity action
- Declaratory action for non-infringement
FORUMSHOPPING

• Possibility to direct a case to a certain court or administrative authority
  – Within a country e.g. Sweden, the US or China
  – To other jurisdictions in cross boarder cases
• Forumshopping is important in the EU, China and USA
• Increased globalization of manufacture, distribution, and trade drives the need of forum shopping
• Forum shopping is an important means in a litigation strategy
• Forumshopping possibilities depends on
  – Rules on jurisdiction and enforcement and
  – The existence of parallel dispute resolution proceedings e.g. administrative authorities/ courts/ in different countries
• Delimitation to IPR and EU
FORUM SHOPPING

What does the legislator think about forum shopping?

• The EU design directive:
(30) The litigation system should avoid as far as possible "forum shopping". It is therefore necessary to establish clear rules of international jurisdiction…

• Unitary Patent Court:
  • One of the main objectives with the UPC is to avoid forumshopping

• However, alternatives forums are sometimes needed:
  - a forum’s connection to the parties or the case
  - for the sake of cost efficiency
  - to prevent contradictory judgements
  - to create a unitary market within the EU
FORUMSHOPPING

The parties’ view – why forum shopping?

Being able to choose a desirable venue in order to
• block the opponent from suing elsewhere
• choose court with skilled expert judges
• save costs
• make the opponent suffer from higher costs
• accelerate the procedure
• delay the procedure
• choose a claimant friendly venue
• choose a jurisdiction where the injunctive relief has largest
effect e.g distribution hub, place of manufacture, important
end user market
• choose jurisdiction with effective legal means such as
preliminary injunctive reliefs, dawn raids, high damages,
discovery/no discovery, ex parte injunctions etc.
• availability of administrative legal actions (customs, threat
actions, invalidity)
FORUMSHOPPING
- IN EU AND EEA

- Brussels convention,
- Lugano convention

Applicable on IPR cases e.g. patent infringement:
- national patents
- EP patents
WHERE TO SUE - MAIN RULE:

FORUM DOMICILE

- Persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that State Article 2 BR.

- Nationality and domicile of the claimant is irrelevant according to the main rule.
WHERE TO SUE - ADDITIONAL RULES:

- Damages – where the damaging act or event occurred or may occur, Article 5.3 BR
- Action against an operation - The court where the entity of a branch, agency or other is established, Article 5.5 BR
WHERE TO SUE - ADDITIONAL RULES:

- Action against several defendants – where one of the defendants is domiciled, *Article 6.1 provides the claimant is seated in a member state.*

- Counter-action against the main claim – where the main claim is initiated, *Article 6.2.*
WHERE TO SUE - EXCLUSIVE RULE

- Cases concerning registration or validity of patents, trademarks etc. where the rights have been granted, Article 22.4
- As for European Patent – where validated.
- As for Community Trademarks and designs – with the OHIM or at a national court if it is a counter claim in an infringement action.
LIS PENDENS - MEANS FOR BLOCKING

- Several litigations between **the same parties** and the **same case** – the subsequent courts **shall stay** the proceedings, *Article 21*

- If the various litigations concern **related actions** - the subsequent courts **may stay** the proceedings, *Article 22*.

- These obstacles causes "torpedo actions"

- Lis pendens do not have effect on preliminary actions
TORPEDO ACTIONS

• The torpedo strategy is a pre-emptive strike by a potential patent infringer in anticipation of a patentee filing a claim for a cross-border injunction.

• The potential defendant commences proceedings in a Member State with a slow court system (Italian and Belgian Torpedoes) (Italian Supreme Court 2013, General Hospital v Asclepion)

• By virtue of the rule of *litis pendens*, all other courts in which the patentee might file a counter claim must stay their proceedings.
SEVERAL DEFENDANTS - ART 6(1)

- Dutch case law from 1990:s: "Boston scientific vs Grafts" – allowed to join several defendants if the domicile of the decision making defendant is used = *spider in the web* (limitation of forum shopping possibilities)

- ECJ 2006: Roche C-539/03-case limited the possibilities even further – no risk for irreconcilable judgements
...CONT. ART 6 (1) – ECJ CHANGED ITS MIND...

C-145/10 PAINER v. STANDARD VERLAG

- Same copyright infringement – picture of Natasha Kampush
- 5 independent publishers in various countries and various national laws
- Forum domicile in Austria for the Austrian publisher and the rest was joined in based on art 6(1) BR

C-616/10 Solvay v. Honeywell

- Article 6(1) of the Regulation is likely to apply where defendants established in different Member States are accused of committing the same infringements with respect to the same products on the same territories.
A clean patent infringement (without any invalidity claims) does not fall within the meaning of the wording in article 22.4.

Article 22.4 shall cover all proceedings in relation to validity of patent claims, irrespective of whether the invalidity claim is raised as an objection or an independent claim.

Cross-border injunctions may be granted in preliminary proceedings where the court does not make a final decision on the validity of the patent, insofar as the validity of the patent is not seriously challenged. (Solvay v. Honeywell)
CONCLUSION- FORUMSHOPPING

- IPR Owner
  - Defendant’s forum
  - Forum delicti
  - Multiple defendants
  - Lis pendens

- Alleged infringer
  - Defendant’s forum – declaratory action of non infringement
  - Forum delicti - declaratory action of non infringement
  - Exclusive forum – invalidity
  - Lis pendens
THE FUTURE – UNITARY PATENT AND THE UNITARY PATENT COURT

• Did you think this was complicated? – Just wait, the future will be much more complicated with multiple parallel systems (national patents, European Patents and Unitary Patent).

• Unified Patent Court will have exclusive competence in respect of all infringement and validity actions concerning European patents with unitary effect and, subject to opt-outs during a transitional period of 7 years (which may be extended by another 7 years), European patents.

Forum shopping will continue…
IPR STRATEGI & ORGANISATION

Read more about IPR at www.gulliksson.se