

Patents 2020

Contributing editor
Louis E Fogel



Publisher

Tom Barnes

tom.barnes@lbresearch.com

Subscriptions

Claire Bagnall

claire.bagnall@lbresearch.com

Senior business development manager

Adam Sargent

adam.sargent@gettingthedealthrough.com

Published by

Law Business Research Ltd

Meridian House, 34-35 Farringdon Street

London, EC4A 4HL, UK

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between April and May 2020. Be advised that this is a developing area.

© Law Business Research Ltd 2020

No photocopying without a CLA licence.

First published 2004

Seventeenth edition

ISBN 978-1-83862-377-7

Printed and distributed by

Encompass Print Solutions

Tel: 0844 2480 112



Patents

2020

Contributing editor**Louis E Fogel****Jenner & Block**

Lexology Getting The Deal Through is delighted to publish the seventeenth edition of *Patents*, which is available in print and online at www.lexology.com/gtdt.

Lexology 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 Lexology Getting The Deal Through format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Eurasia, Honduras, Kazakhstan, Ukraine, United States and Uzbekistan.

Lexology 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.lexology.com/gtdt.

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.

Lexology 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, Louis E Fogel of Jenner & Block, for his continued assistance with this volume.



London

May 2020

Reproduced with permission from Law Business Research Ltd

This article was first published in June 2020

For further information please contact editorial@gettingthedealthrough.com

Contents

| | | | |
|--|-----------|--|------------|
| Austria | 4 | India | 93 |
| Peter Israiloff Barger Piso & Partner | | Archana Shanker and Gitika Suri Anand and Anand | |
| Brazil | 13 | Israel | 107 |
| Jiuliano Maurer and Philippe Bhering Bhering Advogados | | Ran Vogel and Katia Leokumovich S Horowitz & Co | |
| China | 22 | Italy | 114 |
| Liu Honghuan and Zhou Xi Baker McKenzie | | Fabrizio Jacobacci Studio Legale Jacobacci & Associati | |
| Colombia | 29 | Japan | 119 |
| Alexander Agudelo, Carlos R Olarte and Liliana Galindo OlarteMoure | | Makoto Ono and Masayuki Yamanouchi Anderson Mori & Tomotsune | |
| Denmark | 37 | Kazakhstan | 126 |
| Morten Bruus and Christoffer Ege Andersen Accura Advokatpartnerselskab | | Aliya Madiyarova PETOŠEVIĆ | |
| El Salvador | 44 | Malaysia | 132 |
| Andrea Cuéllar, Manuel Francisco Telles Suvillaga and Nelson Rigoberto López Mayora & Mayora | | Bong Kwang Teo and Siau Kee Pua Wong Jin Nee & Teo | |
| Eurasia | 50 | Mexico | 141 |
| Natalia Osipenko, Mayya Pak and Ivan Nagornykh PETOŠEVIĆ | | Eugenio Pérez and Jose Luis Ramos Zurita Uhthoff, Gómez Vega & Uhthoff SC | |
| France | 57 | Norway | 148 |
| Benjamin May, Louis Jestaz and Florent Mattern Aramis Law Firm | | Krister Mangernesnes and Kyrre Tangen Andersen Håmsø Patentbyrå AS | |
| Germany | 65 | Pakistan | 155 |
| Tilman Pfrang and Michael Munsch Meissner Bolte | | Ali Kabir Shah and Hanya Haroon Ali & Associates | |
| Greece | 73 | Portugal | 162 |
| Maria Athanassiadou Dr Helen G Papaconstantinou and Partners Law Firm | | Beatriz Lima and Sara Nazaré VdA | |
| Guatemala | 80 | Russia | 169 |
| Hugo L Rivas Gálvez and Santiago Mayora Bascuñana Mayora IP SA | | Nikolay Bogdanov and Vladimir Biriulin Gorodissky & Partners | |
| Honduras | 86 | Singapore | 175 |
| Emmy Danielle Padilla Mayora IP SA | | Dr Ken Simpson and Thomas Griffiths Davies Collison Cave | |

| | |
|--|------------|
| South Africa | 183 |
| Marco Vatta and Herman van Schalkwyk Spoor & Fisher | |
| South Korea | 190 |
| Eun-Young Park, Gon-Uk Huh and Yoon Suk Shin Lee International IP & Law Group | |
| Switzerland | 200 |
| Dr Dirk Spacek CMS von Erlach Poncet AG | |
| Taiwan | 209 |
| Charles Chen, Frank Lu and Yulan Kuo Formosa Transnational Attorneys at Law | |
| Ukraine | 217 |
| Olga Kudoyar, Oleh Karpenko and Natalia Stetsenko PETOŠEVIĆ | |
| United Kingdom | 224 |
| Siddharth Kusumakar and Peter FitzPatrick Powell Gilbert LLP | |
| USA | 230 |
| Louis E Fogel and Shaun Van Horn Jenner & Block LLP | |
| Uzbekistan | 242 |
| Djakhangir Aripov and Olga Kudoyar PETOŠEVIĆ | |
| Vietnam | 248 |
| Pham Vu Khanh Toan Pham & Associates | |

Israel

Ran Vogel and Katia Leokumovich

S Horowitz & Co

PATENT ENFORCEMENT PROCEEDINGS

Lawsuits and courts

- 1 | 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?

There are no specialist courts in which a patent infringement lawsuit may be brought and redress may accordingly be sought against infringers by filing suit with the relevant district court.

Trial format and timing

- 2 | What is the format of a patent infringement trial?

Similarly to other civil actions, patent infringement proceedings comprise the following stages: the filing of statements of arguments by the litigants, engaging in preliminary discovery proceedings, the filing of evidence (usually in the form of written expert opinions or affidavits presenting factual evidence, including experiments), holding a cross-examination hearing (during which all witnesses, including expert witnesses, are subject to cross-examination) and the submission of summations. Effective 1 January 2021, new Civil Procedure Regulations (CPR) have come into effect. According to the new CPR, the default procedure with respect to witnesses and summations is for them to be heard orally, although the court may order that they be submitted in writing instead. It is yet unclear whether the new default will, in practice, be embraced in patent litigation or whether judges will prefer to defer and order the submission of written affidavits and summations.

One or more pretrial hearings are usually conducted, largely to identify the disputed issues and make the trial process more efficient. According to the new CPR, the parties must attend a pretrial meeting to examine the possibility of resolving the dispute through an alternative dispute resolution mechanism and, if impossible, at least agree on steps to be taken in order to make the legal proceedings more efficient.

Proof requirements

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

In general, the burden of proof for establishing infringement in patent infringement suits lies with the patentee, while the burden of proof for establishing invalidity and unenforceability, lies with the defendant. An exception to that applies to process patents, where in certain circumstances the defendant will need to prove that the patented process was not used to manufacture an identical product. The standard of proof to which both parties are subject is the balance of probability.

Standing to sue

- 4 | 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?

Infringement proceedings may be initiated by the patentee, an exclusive licensee or any joint owner of the patent.

A potential defendant may apply to the court as a protective measure, seeking a declaratory judgment that its exploitation of an invention does not amount to patent infringement (a declaration of non-infringement), provided that they first contacted the patent owner who refused to provide such a declaration or failed to provide same within a reasonable period of time. Such proceedings are conducted before the district court under the presumption that the patent is valid. No arguments challenging the validity of the patent may accordingly be raised. Prior to seeking redress from the court, the potential defendant should contact the patent owner, disclose fully the details of the product or process they intend to use and request the identical declaratory relief that they now seek to obtain from the court.

Inducement, and contributory and multiple party infringement

- 5 | 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?

Liability may be imposed on a person who is found to have collaborated with the direct infringer in realising the infringement. According to the Supreme Court judgment in *CA 1636/98 Rav Bariach v Havashush Car Accessories Trading House (1987) Ltd* [2001] IsrSC 55 (5) 337 (Rav Bariach), establishing liability as joint tortfeasors requires showing direct infringement as well as concerted action between the tortfeasors in attaining the common goal of infringement. The Supreme Court later ruled that the company's organs may be liable with the company as joint tortfeasors, if said requirements are fulfilled.

In addition, the contributory infringement doctrine, which was adopted by the Supreme Court in *Rav Bariach*, provides broader applicability. The following requirements for establishing contributory infringement were set:

- the components used by the indirect infringer constitute a material part of the invention;
- the indirect infringer knew, or should have known, that the components had been specially made or specially adapted for use in the infringement of a patent; and
- the components are not staple products that can be used substantially in a non-infringing manner.

The Supreme Court did not clarify whether direct infringement must occur within Israel for liability to become operative.

Joinder of multiple defendants

- 6 | 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?

In general, any person or entity who is necessary to enable the court to address the lawsuit fully and effectively may be added as a party to a litigation, provided that the factual or legal questions that arise from the lawsuit are common to all the parties. If the plaintiff is uncertain as to who is the proper defendant, then the suit may be filed against multiple defendants, and the question of liability and its extent with respect to each defendant will be examined in court.

In addition, if the patent owner or any of the joint owners or an exclusive licensee has not joined the lawsuit as an additional plaintiff, then they must be joined as additional (formal) defendants in the lawsuit.

Infringement by foreign activities

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

In general, a patent is a territorial right. However, in one case the district court deviated from the principle of territoriality and noted that activity conducted in Israel involving, or resulting in, exportation of the patented invention may constitute patent infringement, if it is on a commercial scale or of a commercial nature and interferes with the exclusive right of the patentee to exploit the invention in Israel (DCA 814/05 (Jer) & CC 7076/05 (Jer) *Orbotech Ltd v Camtech Ltd*[2005]).

Infringement by equivalents

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

Infringement may be established where the invention is exploited in a manner similar to that described in the claims and use is made of the essence of the invention. The Supreme Court adopted the doctrines of equivalents or variants (or 'pith and marrow') and noted that a product or process that replaces components or omits immaterial components of a patent may still be considered infringing, as long as the product or process functions in substantially the same way, and substantially achieve the same result as described in the patent (CA 345/87 *Hughes Aircraft Company v The State of Israel* [1990] IsrSC 44(4) 45).

Discovery of evidence

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

Within the context of the preliminary proceedings, each party is required to discover relevant documents, provide copies thereof for inspection by the other party, and reply to questions forwarded to it by way of interrogatories. All answers must be provided in the form of an affidavit. Disagreements regarding discovery and inspection may be brought before the court. Costs may be imposed on a non-complying party. In some cases, non-compliance may further result in striking of the claim or defence.

In addition, according to the new CPR, a pretrial meeting between the parties must be held, during which each party is required to allow the other party to inspect documents and respond to questions to the extent the documents and answers are required to clarify and possibly limit the scope of the matters in dispute.

Another possibility for obtaining and preserving evidence is by means of an *Anton Piller* order, which allows entry to the premises of the defendant and search and seize all relevant documents and evidence, although an order to such effect is rarely applied in patent infringement proceedings. A temporary receiver over any property may be appointed by the court, and an inspection of any property or article in relation to which a question has arisen in the action may be ordered.

The manner for obtaining evidence from third parties is limited. However, it may be possible to compel a third party to produce certain evidence or documents relevant to the suit (eg, by summoning them to attend the trial and produce the sought evidence as a witness).

There are various mechanisms for obtaining evidence from abroad, including taking evidence by a person appointed by the court or by video conference. In addition, procedures are available for seeking assistance from foreign authorities for the purpose of taking evidence in their jurisdictions, either in reliance on the Hague Convention on the Taking of Evidence Abroad in Civil and Commercial Matters or in accordance with the Legal Assistance Between States Law 1998.

Litigation timetable

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

The average duration of a patent infringement suit is two to four years before the trial court and if the lower instance's decision is appealed, two years before the appellate court (the Supreme Court). The duration may vary based on the complexity of the case. The new CPR may also affect the duration of such cases.

Litigation costs

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

Costs are difficult to estimate and may vary significantly, depending on the complexity of the case, the parties involved and the legal representation. Legal fees may range between US\$200,000 and US\$800,000 for the main claim and US\$100,000 to US\$300,000 for interim injunction proceedings. In appeal proceedings, the legal fees may range between US\$50,000 and US\$150,000.

Court appeals

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

An adverse decision rendered by the trial court may be appealed to the Supreme Court either by way of right (where the decision of the lower court concludes the dispute brought before it) or by obtaining special leave to appeal (eg, decisions in interim proceedings).

As a rule, the appeal is based on the trial transcript as well as the pleadings and evidence submitted in the lower instance. The appellate court generally refrains from interfering with the factual findings of the trial court and instead tends to focus on the legal issues; it may nonetheless be more inclined to allow the submission of new evidence in patent cases, as opposed to other civil cases.

Competition considerations

- 13 | 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?

The Economy Competition Law, 1988 (the ECL) exempts arrangements whereby the owner of an Israeli registered patent imposes restrictions on the use of its patent. Notwithstanding this, the Competition Tribunal has held that such exemption would not apply to a patent owner who abuses his monopolistic position. Therefore, ownership of a patent does not necessarily establish immunity from scrutiny under the ECL, if the patent owner is a dominant player in the relevant market sector. The settlement of patent infringement disputes may also be subject to the ECL.

Generally, a *bona fide* attempt to enforce a patent would not impose liability on the patentee (save for costs that the court is authorised to order should the claim be dismissed). However, in a precedential decision rendered by the Central District Court (CC 3366-07-11 *Unipharm v Sanofi* (2015)), it was held that misleading the Registrar of Patents (the Registrar), intentionally or as a result of gross negligence, in an attempt to obtain a patent, constitutes abuse of a dominant position or unjust enrichment, thereby entitling the plaintiff to claim all or part of the patentee's profits under the Unjust Enrichment Law, 1979. The decision may also infer that a patentee may be found liable under the ECL for threatening or commencing litigation to enforce a patent that the patentee knew was invalid, or against a defendant whom the patentee knew was not infringing the patent. Interestingly, in a subsequent case (CC 38568-10-11 *Unipharm Ltd v Glaxo SmithKline plc* (2018)) a contradictory decision was rendered. Appeals on both decisions are currently pending before the Supreme Court.

Abuse of a dominant position by a patent owner may also lead to the grant of a compulsory licence by the Registrar. However, in practice, very few applications seeking a compulsory licence have been filed.

Alternative dispute resolution

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

Patent disputes can be referred to arbitration as an alternative dispute resolution mechanism. Nonetheless, the outcome of the arbitration award is limited to the parties and has no *in rem* effect. Patent infringement disputes can thus be brought before an arbitrator; however, the arbitrator's findings are binding only on the litigants.

Mediation is also available as an alternative means for resolving patent disputes.

SCOPE AND OWNERSHIP OF PATENTS

Types of protectable inventions

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

According to the Patents Law, 1967 (the Patents Law), patents will not be granted to protect computer programs as such, methods for the therapeutic treatment of the human body or new varieties of plants or animals, save for microbiological organisms not deriving from nature. Business methods are similarly not patentable as such, since they fall within the field of commerce and, therefore, are not considered susceptible of industrial application.

The Patent Examination Guidelines published by the Israel Patent Office (ILPO) provide that to be patentable, an invention must fall within a technological field, namely, it must involve a concrete technological

process. Hence, if a computer program has the effect of changing any physical properties, or causes the computer to work in a new way, or establishes connections between system components that did not previously exist, then it may be construed as falling within a technological field and, thus, patentable.

Patent ownership

- 16 | 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?

According to the Patents Law, the owner of the invention is the inventor (or multiple inventors) or whomever is entitled to the invention in accordance with law, by assignment or by agreement. In addition, the person filing a patent application is deemed the owner of the invention, unless proven otherwise.

An invention by an employee, arrived at in consequence of his or her employment and during the period of the employment ('a service invention') shall, in the absence of an agreement to the contrary between the employee and the employer, become the property of the employer. An invention arrived at by an independent contractor is generally owned by the inventor. However, in one case, the district court held that an independent contractor should be considered an employee for the purposes of the Patents Law, hence construing inventions conceived by the independent contractor, in the course of providing the relevant services, as service inventions and conferring the ownership rights therein on the company ordering the work.

The assignment of ownership rights in patents or inventions may be done in writing or according by virtue of law. The assignment agreement must be recorded with the ILPO. A joint owner may assign his or her rights without the consent of the co-owners, unless agreed otherwise and subject to the co-ownership agreement having been recorded with the ILPO.

DEFENCES

Patent invalidity

- 17 | 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 validity of a patent can be challenged directly, by filing an application for its revocation with the Registrar of Patents (the Registrar) or indirectly. An indirect attack is when a defendant in a pending infringement suit argues that the patent at issue is invalid. In addition, with a pre-grant opposition regime applying in Israel, it is possible to oppose a patent application within three months of publication of its allowance.

The grounds for challenging the validity of a patent (or patent application) include the following: not a patentable subject-matter; lack of novelty; obviousness; inutility; insufficiency of disclosure; and covetous claims (namely, the claims are not fairly based on the description). Misleading the Israel Patent Office (ILPO) or withholding information by the patent owner or applicant in the examination may also lead to invalidation of the patent or application.

Absolute novelty requirement

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

'Absolute novelty' is one of the requirements for patentability in Israel. However, the Patents Law, 1967 (the Patents Law) provides that an

existing publication does not detract from the novelty of an invention in specific circumstances, such as where the invention was made public without the permission of the inventor or where the invention is exhibited in an exhibition or lecture hall. The patent application must be filed within a reasonable time after the publication became known to the applicant or within six months at most.

Obviousness or inventiveness test

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

Obviousness is assessed through the eyes of a person skilled in the art who does not possess any inventive skills. Inventive step may be negated based on multiple publications. However, their combination ('mosaic') must be obvious to a person skilled in the art.

Another test applied in the context of inventive step is the 'obvious-to-try' test; namely, assessing whether a person skilled in the art would have been motivated, based on the prior art, to undertake the route taken by the patentee with a reasonable expectation of success.

Objective evidence (eg, evidence of commercial success, long-felt need, failure of others and unexpected results) may give an indication as to the non-obviousness of the invention.

Patent unenforceability

20 | 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?

The Patents Law allows, in certain circumstances, for the imposition of sanctions against patent owners or applicants who mislead the ILPO. The court or the Registrar may revoke a patent, disallow its registration, reduce the patent term or licence its exploitation, if:

- the applicant, in response to the examiner's demand to supply certain information or material, submitted misleading material; or
- the applicant knowingly failed to update the Registrar of any material change in the list of publications or references relied upon by foreign examination authorities.

Prior user defence

21 | 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?

The defendant may have a prior use defence based on prior exploitation or actual preparation for exploitation in Israel in good faith on the date the application was submitted or the date of the priority application. The exploitation or preparation should be on a commercial scale and of a commercial nature.

REMEDIES

Monetary remedies for infringement

22 | 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?

A patent owner may be entitled to monetary remedies for infringement. When awarding damages, the court will consider the infringing act and the plaintiff's position as a consequence. The court may also consider, among other things, the following:

- the direct damages caused to the plaintiff;
- the extent of the infringement;
- the profits derived by the infringer from the infringement; and
- reasonable royalties that the infringer would have had to pay had he been granted a licence to exploit the patent to the extent so infringed by him or her.

The court may order the defendant to provide an account of the extent of its infringement and the profits reaped therefrom, or award compensation based on an assessment.

Once a patent is granted, the patentee is entitled, retroactively, to full damages for any unauthorised exploitation of the invention that occurred after allowance of the patent application by the Israel Patent Office (ILPO) (ie, after examination and prior to grant). The Patents Law, 1967 also provides that once a patent is granted, the patentee will be retroactively entitled to damages in the form of reasonable royalties for any unauthorised exploitation of the invention that occurred between the date of publication of the patent application and its date of allowance.

Punitive damages may be awarded in certain circumstances, but in practice the courts have yet to exercise their authority in this regard.

Injunctions against infringement

23 | 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?

A motion for an interlocutory injunction (preliminary injunction) is often filed simultaneously with the submission of a statement of claim in a patent infringement suit. Its purpose is generally to preserve the status quo until the court renders a decision in the main action. Only in extreme and urgent circumstances, will the court be willing to grant an interlocutory injunction prior to the filing of the main claim.

The discretion of the court in preliminary injunction proceedings is governed by several principles and considerations and, primarily, whether the immediate intervention of the court is essential in order to prevent irreparable harm. The applicant must provide securities in case the action is ultimately denied and consequential damage is caused to the defendant.

In general, interim relief proceedings are heard in the presence of both parties. In some cases, it is possible to obtain the sought relief unilaterally. During preliminary injunction proceedings, the court may determine that, instead of hearing an application for a preliminary injunction, the main action will be expedited. Such determination enables plaintiffs to expedite the enforcement process.

If a plaintiff is successful in his or her suit, the court will usually grant a permanent injunction to prevent future infringement of the patent by the defendant. As a rule, permanent injunctions remain in effect until the patent expires. The question as to whether a post-expiry injunction may be granted where the infringement was committed to obtain a springboard into the market after the patent's expiry, still remains open.

The question of whether an injunction is effective against the infringer's suppliers or customers was not directly raised, and it is doubtful.

Banning importation of infringing products

24 | 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?

Israeli law has in place a procedure for blocking the importation of products that infringe intellectual property rights. This procedure does not

essentially apply to patent infringing products, however, in one case an attempt was made to rely on this procedure with respect to patent infringing products.

Attorneys' fees

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

As a rule of thumb, a successful litigant is entitled to reimbursement of its real out-of-pocket costs and attorneys' fees, but other considerations should also be taken into account. In practice, the level of costs determined by the courts is usually lower than the costs actually incurred. It remains to be seen whether the new Civil Procedure Regulations 2018 affect this practice.

Wilful infringement

26 | 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?

Punitive damages may be awarded in a patent infringement suit, where the infringement occurs after the patentee or exclusive licensee warned the infringer about the infringing activity. In such case, the amount of punitive damages cannot exceed the sum of the actual damages. However, an award of punitive damages has yet to be rendered by the courts.

Time limits for lawsuits

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

In general, like other civil claims, the ability to file suit for patent infringement is subject to the seven-year statutory limitation period, which begins to run from the date of establishment of the cause of action. However, as each act of infringement constitutes a new cause of action with its own period of limitation, an injunction may be filed even where the infringement commenced more than seven years beforehand (in rare cases, the action may be subject to laches). Damages, on the other hand, cannot be sought for a period surpassing the statutory seven-year limitation period.

Patent marking

28 | 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 owner need not mark its patented products.

LICENSING

Voluntary licensing

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

A licence to exploit an invention may be granted by a patent owner or applicant. In the case of joint ownership, the consent of all joint owners will generally need to be obtained, but the court may, upon application by a joint owner, order the other joint owners to grant the sought licence.

The rights to use the licence may be exclusive or non-exclusive. If the rights are non-exclusive, the relevant licensee may exploit the

invention only to the extent, and according to the conditions, prescribed in the licence; where the rights are exclusive, the relevant licensee may act as if it were the owner of the patent and the patent owner is prohibited from exploiting the invention in Israel. In either case, the licence must be given in writing and registered with the Registrar of Patents (the Registrar) for it to be effective on third parties.

Compulsory licences

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

If the Registrar is convinced that a patentee is abusing his monopoly, he may grant a compulsory licence to a person seeking to exploit the patented invention, provided that the application is filed after the expiration of three years from the date of grant of the patent, or four years from the date of filing the patent application, whichever is the later. The purpose for granting a compulsory licence will be mainly to satisfy the needs of the domestic market, and subject to the payment of royalties to the patent owner as shall be determined by the Registrar.

A compulsory licence may also be granted to enable exploitation of a patented invention that otherwise would have been deemed as infringing an earlier patent, provided that the later invention demonstrates important and valuable technological progress with respect to the earlier invention. Where the inventions under both patents serve the same industrial purpose, the owner of the later invention may be required to grant a similar licence to the owner of the earlier invention.

In addition, according to sections 104 and 105 of the Patents Law, 1967, the state may permit the exploitation of an invention by government departments or by other persons acting on the state's behalf, if such exploitation is necessary for ensuring national security or for maintaining essential supplies and services. Once a permit of this nature is issued, royalties must be paid by the state of Israel.

PATENT OFFICE PROCEEDINGS

Patenting timetable and costs

31 | How long does it typically take, and how much does it typically cost, to obtain a patent?

Patent applications are filed with the Israel Patent Office (ILPO). According to the annual report published by the ILPO for 2019 (the Annual Report), after the patent application is filed, it usually takes a few years (roughly 24 to 35 months) until examination commences. The actual examination period has significantly shortened over the years, and, according to the Annual Report, varies between 13 and 22 months on average (depending on the field of the invention). The costs for obtaining a patent may range between US\$3,000 and US\$9,000 (depending on the professional fees and the complexity of the matter).

The above time frames and costs do not take into account the length of time for conducting opposition proceedings as well as the associated costs, which can be substantial.

Expedited patent prosecution

32 | Are there any procedures to expedite patent prosecution?

It is possible to request abbreviated examination, eg, based on a corresponding foreign patent granted in certain jurisdictions (eg, the European Patent Office or the US Patent Office). Several bilateral Patent Prosecution Highway (PPH) and PCT-PPH agreements with different national offices were signed by the ILPO, which permit usage, under certain circumstances, of the search and examination results maintained by such offices.

In addition, expedited examination may be sought, for example, on the basis of the age or medical condition of the applicant or inventor, the public good or if there are other reasons justifying it. A third party may also request expedited examination under certain circumstances.

Patent application contents

- 33 | 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 specification of a patent application must include the title of the invention, enabling its identification; an introduction explaining the designation of the invention together with a concise description of the state of the art in the professional field of the invention; and a description (with drawings) of the manner in which the invention can be performed, enabling a person skilled in the art to perform it.

Prior art disclosure obligations

- 34 | Must an inventor disclose prior art to the patent office examiner?

The patent applicant is under a duty to act in good faith and thus must provide the ILPO with full disclosure. Specifically, the patent applicant must provide the examiner with a list of references relied upon by patent offices in other jurisdictions during the examination of corresponding patent applications, as well as a list of publications known to the applicant that were published prior to the application date and directly relate to the invention. The applicant may be required to supply additional information upon the examiner's request. In addition, until the patent is permitted, the applicant must keep the ILPO informed of any changes in such a list of references upon becoming aware thereof.

Pursuit of additional claims

- 35 | 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?

A patent applicant may file a divisional patent application, which should be filed prior to allowance (or otherwise abandonment or refusal) of the original patent application, and claim the same priority date as the original application. In addition, an owner of a second invention, which constitutes an improvement or modification of an invention for which a patent has already been granted (the main patent), may request that a patent for the second invention be granted as a patent of addition (provided that the application for a patent of addition was filed after the filing of the application for the main patent). The second invention need not involve inventive step beyond the invention covered under the main patent. The patent of addition remains in effect for so long as the main patent is in effect, and may remain in force even after its revocation.

Patent office appeals

- 36 | Is it possible to appeal an adverse decision by the patent office in a court of law?

The district courts of Jerusalem and Tel Aviv hear appeals on decisions given by the Registrar of Patents (the Registrar) (eg, decisions in opposition and revocation proceedings). Appeals may be filed either by way of right (where the decision of the Registrar concludes the dispute brought before him or her) or by requesting special leave with respect to other decisions (eg, decisions in interim proceedings).

In addition, it is possible to object to any decision or conduct of an examiner and request that the matter be brought before the Registrar. The Registrar's decision in this regard can similarly be appealed to the district court.

Oppositions or protests to patents

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

The existence of a pre-grant opposition regime in Israel permits anyone to challenge grant of the requested patent by filing an opposition to a patent application within three months of publication of its allowance. Opposition proceedings comprise the following stages: the submission of statements of arguments by both the opponent and the applicant, the submission of evidence (usually in the form of written affidavits and expert opinions), holding a cross-examination hearing and the submission of summations (which are usually submitted in writing, but in some cases are presented orally). The burden to prove the validity of the patent during opposition proceedings rests upon the patent applicant.

Priority of invention

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

In cases where more than one applicant is seeking patent protection for the same invention, the patent shall be granted to the applicant who is 'first to file'. In addition, it is possible to oppose a patent application, or request the revocation of a patent, on the ground that the opponent or revocation applicant is the true owner of the invention and not the patent applicant or owner of the patent on record.

Modification and re-examination of patents

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

Once examined and accepted, the Registrar (or, the court in a case before him or her) may permit an amendment of the claims of the patent application or patent only for clarification purposes; for correcting an error in the specification; or for restricting the claims. The amendment may be allowed only if it does not broaden the scope of the claims or add anything to the specification that was not already included from the outset. In addition, an amendment may be allowed or ordered upon conclusion of the proceedings by the Registrar or the court to ensure that the true invention as claimed in the patent (or patent application) is duly protected.

Revocation proceedings are available and may be initiated by any person, at any time while the patent is in force. Revocation proceedings are conducted before the Registrar and are essentially similar to opposition proceedings, except that in the former case, the parties are required to submit their arguments together with supporting evidence (usually by way of affidavits and expert opinions). In addition, the burden of proof in revocation proceedings lies with the revocation applicant.

Re-examination proceedings are not available in Israel.

Patent duration

- 40 | How is the duration of patent protection determined?

Patents in Israel are granted for a period of 20 years from the date of filing. Patent term extension may be granted to patents protecting either a pharmaceutical product, a substance (being an active ingredient in a pharmaceutical product), a process for the manufacture or use of such

product or substance, or a medical device for which marketing authorisation is required in Israel.

UPDATE AND TRENDS

Key developments of the past year

- 41 | What are the most significant developing or emerging trends in the country's patent law?
- 1 In CC 70241-05-18 (TA) *Millennium Pharmaceuticals Inc et al v Teva Pharmaceutical Industries Ltd et al* (published on Nevo, 11 May 2020), the Tel Aviv District Court dismissed a patent infringement action concerning Israel Patent No. 219853 (the Patent) relating to an industrial-scale process for manufacturing Bortezomib.

Millennium asserted that the defendants are infringing the patent by exploiting the 'essence of the invention'. The court held that determining the 'essence of the invention' should be based on the claims, as construed against the background of the specification, and in the context of the relevant prior art. It emphasised that certainty is a fundamental principle in this respect and that the wording of the claims is of considerable importance. In light of the above, the court held that it would refrain from construing the claims broadly. The court remarked that only new components, which provide a substantial contribution to the invention and impart on it the unique advantages obtained by the invention, should form part of the 'essence of the invention'. Specifically, the court held that in large-scale processes, a person skilled in the art would have understood that each and every element in the process is essential and crucial to its success.
 - 2 The Israel Patents Office (ILPO) has proposed an amendment to the Patent Regulations (Office Practice, Rules of Procedure, Documents and Fees) 1968, offering applicants the option of filing a less-costly preliminary 'temporary' application for a patent, similar to the process for filing a provisional patent application that is prevalent in the United States. In addition, the Israel Ministry of Justice has announced that it considers various amendments to the Patents Law 1967 (the Patents Law).
 - 3 New Civil Procedure Regulations, termed the Civil Procedure Regulations 2018, entered into effect on 1 January 2021. The new regulations generally encompass all civil proceedings, including infringement proceedings and appeals on decisions rendered by both the Registrar of Patents and the district courts.

S.HOROWITZ & CO.

Ran Vogel

ranv@s-horowitz.co.il

Katia Leokumovich

katia.leokumovich@s-horowitz.co.il

31 Ahad Ha'am Street

Tel Aviv 6520204

Israel

Tel: +972 3 5670700

<https://s-horowitz.com>

Other titles available in this series

| | | | |
|-------------------------------|--|--|-------------------------------------|
| Acquisition Finance | Distribution & Agency | Investment Treaty Arbitration | Public M&A |
| Advertising & Marketing | Domains & Domain Names | Islamic Finance & Markets | Public Procurement |
| Agribusiness | Dominance | Joint Ventures | Public-Private Partnerships |
| Air Transport | Drone Regulation | Labour & Employment | Rail Transport |
| Anti-Corruption Regulation | e-Commerce | Legal Privilege & Professional Secrecy | Real Estate |
| Anti-Money Laundering | Electricity Regulation | Licensing | Real Estate M&A |
| Appeals | Energy Disputes | Life Sciences | Renewable Energy |
| Arbitration | Enforcement of Foreign Judgments | Litigation Funding | Restructuring & Insolvency |
| Art Law | Environment & Climate Regulation | Loans & Secured Financing | Right of Publicity |
| Asset Recovery | Equity Derivatives | Luxury & Fashion | Risk & Compliance Management |
| Automotive | Executive Compensation & Employee Benefits | M&A Litigation | Securities Finance |
| Aviation Finance & Leasing | Financial Services Compliance | Mediation | Securities Litigation |
| Aviation Liability | Financial Services Litigation | Merger Control | Shareholder Activism & Engagement |
| Banking Regulation | Fintech | Mining | Ship Finance |
| Business & Human Rights | Foreign Investment Review | Oil Regulation | Shipbuilding |
| Cartel Regulation | Franchise | Partnerships | Shipping |
| Class Actions | Fund Management | Patents | Sovereign Immunity |
| Cloud Computing | Gaming | Pensions & Retirement Plans | Sports Law |
| Commercial Contracts | Gas Regulation | Pharma & Medical Device Regulation | State Aid |
| Competition Compliance | Government Investigations | Pharmaceutical Antitrust | Structured Finance & Securitisation |
| Complex Commercial Litigation | Government Relations | Ports & Terminals | Tax Controversy |
| Construction | Healthcare Enforcement & Litigation | Private Antitrust Litigation | Tax on Inbound Investment |
| Copyright | Healthcare M&A | Private Banking & Wealth Management | Technology M&A |
| Corporate Governance | High-Yield Debt | Private Client | Telecoms & Media |
| Corporate Immigration | Initial Public Offerings | Private Equity | Trade & Customs |
| Corporate Reorganisations | Insurance & Reinsurance | Private M&A | Trademarks |
| Cybersecurity | Insurance Litigation | Product Liability | Transfer Pricing |
| Data Protection & Privacy | Intellectual Property & Antitrust | Product Recall | Vertical Agreements |
| Debt Capital Markets | | Project Finance | |
| Defence & Security | | | |
| Procurement | | | |
| Dispute Resolution | | | |

Also available digitally

[lexology.com/gtdt](https://www.lexology.com/gtdt)