

One right system for IP - Vision impossible? 1 – 3 Oct. 2008. Conference Hotel Rantapuisto, Helsinki

Emeritus professor Martti Castrén, University of Helsinki: Patent litigation – when useless?

In Finland, e.g., the patent protection of an invention is based on a conception that the right owner of an invention gets, generally speaking, a twenty years lasting exclusive right for the exploitation of the invention. However, the interpretation of the legal protection of the patented invention is not necessarily objective or neutral. This interpretation is often bound to the interpreter's personal value appreciations.

*As a starting point* for evaluation of the scope of patent protection is the priority day of the patent application. This day is decisive with regard to novelty and inventive step of the concerned invention to be patented in relation to the older technology. On the other hand, many experts consider that also the technical development after the aforementioned moment must be taken into consideration.

A patent holder always tries to maximize the economic benefit obtainable from the patent. Ultimately this takes place by means of lengthy patent litigations, which may often last even about ten years. It is often quite impossible to forecast the final result of these litigations. Experts initiated into patent law have the ability to maintain former differences of opinion about the interpretation of law and, when needed, they create new interpretations which are advantageous to the party whom they represent.

Long patent disputes consume excessively economic resources of parties and overstrain courts of justice in Finland and elsewhere. For a small enterprise with limited financial capacity a loss of a lengthy patent litigation against a large enterprise may be a deathblow.

*An official advance notice* about the scope of patent protection might be a means appropriate for avoidance of a patent litigation. Naturally such a notice should be given before starting a relevant patent litigation. The information about the scope of protection given in the notice should bind the court which handles and decides the litigated case. The advance notice would be liable to a fee. The notice would be given on application by the National Patent and Register Board, by a special court dealing with intellectual property which maybe could be established in Finland or by some other organ with expertise.

The above-mentioned advance notice differs from the advance notice which, according to the Finnish Act on Trade Names, could be given by the National Patent and Register Board about the registration qualifications of a trade name before the application for the trade name's registration. However this system is not yet in use in Finland.

In a potential later litigation the advance notice would bind the court in a way that the court would not be allowed to deviate from the advance notice when the judgment is passed on the patent case. It is likely that numerous patent litigations could be avoided in this way. Besides, the fee for receiving an official advance notice would certainly be substantially lower than the costs of the litigation.

*On the other hand*, the procedure of an advance notice does not often fit in a situation when the definition of the scope of patent protection requires ample production of evidence or other kind of settling characteristic of a trial. In such a case the application of an advance notice could be declined.

Such may often be the case, when the significance of equivalences for the patent protection is under consideration. An interpretation according to the doctrine of equivalences means that a patent claim shall not be interpreted literally but, instead of that, more extensively than can be read directly from the wording of the claim. Such an interpretation leads to a wider patent protection. Screws and nails, which are

often replaceable alternatives when fixing different kinds of objects has often been used as a classic illustration of equivalence with reference to a patent application where only nails or screws are mentioned but not both of them in the text of the application.

When patent disputes are concerned, the valuation of the question which technical solutions are considered as each others' equivalent alternatives is generally dependant on the judge handling the case or on another expert. The subjectivity of this evaluation creates uncertainty and increases costs, when statements and opinions must be asked from various persons in order to strive after sufficient objectivity.

*The provisions of the Patent Act* regulating the scope of patent protection should be totally revised and, besides, to the law should be included such provisions which decrease the cost risk of litigations. It should be studied if the relevant factors determining the scope of patent protection should be revised in a quite radical way. The emphasis in this respect should maybe be turned away from the traditional legal-technical definition of patent protection (included the overemphasis of equivalences) to the economic value of the concerned patent, taking in the same time into consideration the competitive aspects of the patent protection. Without a workable system for patent protection there is a risk that inventions and other innovations made in small and medium-sized enterprises slip into hands of large enterprises and in the end into foreign possession on a too large scale.

It is clear that the renovation of the Patent Act should be done in close association with other EU-countries and -organs. The patent laws of these countries have already been harmonized to a great extent and the unity must be preserved also in the future.