The 'Law & Practice' sections provide easily accessible information on navigating the legal system when conducting business in the jurisdiction. Leading lawyers explain local law and practice at key transactional stages and for crucial aspects of doing business.
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## Law and Practice

*Contributed by Advokatfirman Vinge KB*

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Advokatfirman Vinge KB’s intellectual property group consist of approx. 25 lawyers based in Stockholm, Gothenburg and Malmö. The group has undergone an extraordinary growth since the arrival of the current head of the IP department, Håkan Borgenhäll, Richard Wessman and others, in 2013 and the growth continues. Vinge is unique on the Swedish market for offering a genuine full-service IP concept within three key areas: contentious, non-contentious and prosecution (patent prosecution in collaboration with patent agency firms). Patent litigation is one of the key practices areas in the group and involves disputes within the technology, telecom, pharmaceutical, med-tech, chemical and mechanical area. The members of the team are regularly engaged in infringement and invalidity disputes, often in disputes with an international character. Vinge is inter alia involved in large pan-European litigations where the members of the team work closely together with internationally eminent patent law experts. The team is also experienced in disputes relating to title of patents, compensation to inventors and disputes arising from patent-related commercial contracts (both arbitration and litigation procedures). The intellectual property group also advises clients in negotiation and drafting a wide range of patent and technology-related agreements.

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1. Types of Intellectual Property Rights & Granting Procedure

1.1 Types of Intellectual Property Rights
In Sweden, inventions are protected through the possibility to apply for a patent which gives the proprietor an exclusive right to exploit the invention (so-called “negative right”).

Information concerning an invention which has not yet been patented – or which for some reason cannot enjoy patent protection, or is not appropriate for patent protection – can enjoy protection as a trade secret provided that the information concerning the invention fulfils certain criteria, including that it is kept a secret and the information can be deemed as important to the company’s business in a way that would be detrimental to the company if the information were disclosed.

The protection for inventions and trade secrets is primarily governed by a statute, although the scope of protection has also been developed in detail through case law.

1.2 Grant Procedure
The exclusive right for an invention arises through a patent being granted and thereby registered. A patent application can be made (i) nationally, (ii) throughout Europe pursuant to the European Patent Convention (EPC), or (iii) internationally pursuant to the Patent Cooperation Treaty (PCT). In the last two cases, the application is made to the European Patent Office or the World Intellectual Property Organization (WIPO) and following an initial examination the applicant can choose to designate Sweden as the protected country and the application is then transferred to the national regulatory authority for the necessary steps to move the application forward; for PCT applications further examination is required and for EP application it is rather a validation of the EP patent. The application authority in Sweden is the Swedish Patent and Registration Office (PRO) in relation to both national and foreign applications. Irrespective of the form in which the application is made, a granted patent results in a national Swedish patent registration.
The national application procedure includes a formal and a technical examination; the same also applies to EPC applications, where the application is processed by the EPO. As for the national application procedure, the initial, formal examination is based upon whether the application is complete and whether the application fee has been paid. Any deficiencies in these respects must be rectified in order for the technical examination of the invention to be commenced. The subsequent technical examination is based upon whether the invention is patentable – ie, whether it is novel, can be subject to industrial application and does not constitute prior art. The person responsible must be a qualified patent engineer who possesses knowledge of the area in question for the relevant invention. This part of the examination leads either to a technical order or a final order. In a technical order, the applicant is given the opportunity to address any impediments towards the grant of the patent which the examiner has identified. In the event the PRO considers that a patent can be granted, a final order is issued whereby the applicant is given the opportunity to perform minor adjustments and review the application documents. After the applicant has paid a basic fee for publication, the PRO thereafter publishes its decision and the patent is thereby deemed to be granted.

A final decision concerning the rejection of the application is taken by the technical administrator in consultation with a separate and experienced patent expert. A decision to reject an application can be appealed to the Swedish Patent and Market Court.

Certain information in an application becomes public as the result of the filing of the application (eg, the applicant’s name). Other information becomes public within a period of 18 months from the date of filing or the priority date or, alternatively, in connection with the grant of the patent if this occurs earlier and the applicant has not requested that the PRO postpones the grant. If the application is rejected, withdrawn or discontinued prior to the expiration of the 18-month period, it is not published. Accordingly, the applicant can withdraw its application during the prosecution phase if he or she believes that the patent will not be granted and they wish to keep the invention secret.

1.3 Timeline for Grant Procedure

The inventor does not need a representative to initiate grant proceedings.

If an application meets the formal requirements then PRO will issue a technical, or final, notice within approximately seven months. The time limits for a final decision vary depending on if there is an obstacle to granting the patent or not. The final decision is generally rendered within two years from the filing date.

There is no requirement according to Swedish law concerning representation (authorised or other) for a patent applicant. However, statistics show that applications by professional patent attorneys are granted to a much higher extent.

The average application costs to grant a national patent are relatively low. The general application fee is SEK3,000 and the publication fee is SEK2,500 (as of February 2018). Additional fees may apply – for example, if the sought patent has more than ten patent claims. The costs vary on a case-by-case basis and are dependent on circumstances such as the need for representation, the need for translation, as well as the scope and complexity of the application. The average costs in addition to the formal fees amount to approximately SEK40,000.

1.4 Term of Each Intellectual Property Right

A patent remains in force for a maximum term of 20 years from the application date. Medicinal and plant-protection products can, however, be granted an extended term of protection of a maximum five years.

If an invention is protected as a trade secret it will remain protected for as long as it fulfils the requirements for being a trade secret (eg, that it is kept a secret and it remains of importance for the business).

1.5 Rights and Obligations of Owner of Intellectual Property Right

The exclusive right of a patent is set forth in statutory law. It, inter alia, allows the holder to stop others from using the protected invention commercially. This includes the right to take legal action against infringements. The patentee may obtain an injunction, under penalty of a fine, against the infringer or anybody who participates in the infringement. In order to stop an ongoing infringement it is also possible to apply for a preliminary injunction. A patentee can also apply for other measures such as an order to provide information regarding the origin and distribution network of the infringing goods. Infringement entitles the patentee to reasonable compensation for infringed use and damages caused by the infringement.

The scope of the exclusive right also includes the right to assign, license or pledge the right to a patent.

There is no obligation to make use of the invention although a court may, under certain circumstances, grant a compulsory licence if it is not used.

A patentee is obliged to pay annual fees in order to maintain the patent. The annual fee increases each year the patent is maintained and range between SEK1,400 and SEK8,400. This obligation also applies during the application procedure.
1.6 Further Protection After Lapse of Maximum Term
A patent can be maintained for a maximum term of 20 years. Medicinal and plant protection products can, however, be granted a Supplementary Protection Certificate (SPC) by which the term of protection is extended to a maximum of an additional five years; the term of such additional protection is calculated to the time lost between the filing date and the date of first marketing authorisation in the EEA, minus five years. Medical products authorised for treatment of children may be granted an additional protection term of six months (five-and-a-half years in total). The additional protection term of six months requires, inter alia, that the product has been granted marketing authorisation in all EU Member States.

The purpose of the SPC is to compensate the patentee for time during which a product cannot be commercialised since it requires marketing authorisation. The application has to be filed within six months from the first marketing authorisation.

Similar rules apply as regards granting procedure and fees. The patentee has to pay an application fee as well as annual fees and a decision to grant an SPC can be challenged by third parties.

1.7 Third Party Rights to Participate in Grant Proceedings
Third-party observations can be filed during the application procedure. An observation may refer to any aspect that affects the decision on whether a patent should be granted. The person who files an observation is not party to the proceedings in a formal sense. However, the third party shall receive a notice if the patent application is granted.

A third party can also file a written opposition within nine months after a patent has been granted. The opposition procedure includes an exchange of writs between the patentee and the opponent after which PRO decides whether to revoke the patent, maintain it in an amended wording or reject the opposition. The patent shall be revoked if:

- it was granted despite a lack of being capable of industrial application, or is not novel over the prior art, or it does not meet the requirement of inventive step;
- it includes something which was not evident from the application when it was filed; or
- it pertains to an invention which is not described with sufficient clarity to enable a person skilled in the art to carry it out with the guidance of the description.

The patent shall be maintained in an amended wording if the patentee modifies it during the opposition procedure in order to overcome the obstacles in question. The final decision in opposition procedures can be appealed by the patentee, or the objecting party, to the Patent and Market Court within two months from the date of the decision.

A third party can also file a claim for transfer of ownership based on such party’s title to an invention pending patent registration (so-called “better right” or “entitlement” claim). At the request of the claimant PRO may transfer the patent application or register the claimant as inventor. The claimant can also be registered as co-applicant or co-inventor. If it cannot be determined who has the better right to the invention, PRO can order the claimant to initiate court proceedings. PRO will disregard the claim unless the claimant initiates court proceedings within a certain time. A decision to reject a request for transfer may be appealed by the claimant.

1.8 Remedies Against Refusal to Grant Intellectual Property Right
An applicant who is not granted a patent can appeal the decision of PRO. Likewise, final decisions in objection procedures can be appealed by the losing party. An appeal has to be made within two months from the date of the decision. The appeal is lodged with PRO, which has a possibility to reconsider its decision unless there is an opposing party. If PRO stands by the decision, or if there is an opposing party, the appeal is handed over to the Patent and Market Court.

1.9 Consequences of Failure to Pay Annual Fees
Failure to pay annual fees of a patent application will lead to dismissal of the application. This situation is exceptional since payment for the first three years is due on the third year. Where a patent has been granted, failure to pay fees will lead to annulment of the patent. A delay in payment can be remedied if an additional fee of 20% on the due amount is paid within six months.

In exceptional cases, if the patentee, despite having observed all due care required by the circumstances, has suffered a loss of rights because he or she failed to make a payment (or perform another act) within the prescribed time but completes payment within two months (under certain circumstances within two months from the removal of the reason for non-compliance), the patentee can apply for a declaration that the payment shall be deemed to have been completed within the proper time-limit. Such an application must be accompanied with an additional fee of SEK1,000.

2. Initiating a Lawsuit

2.1 Actions Available Against Infringement
A patent-holder has several options on how to handle infringement against its patent. A patentee (or licensee) is entitled to apply for an injunction against imminent or ongoing infringements. An injunction can be obtained against the
infringer or anybody who participates in the infringement and can be subject to a penalty of a fine. The patentee can choose to initiate a regular injunction action or a preliminary injunction action if there is an urgency to stop an ongoing infringement.

Patent infringement can also be prosecuted as a criminal offence if the injured party reports the offence. However, for a prosecutor to initiate a criminal offence action it requires there to be special reasons from a public interest standpoint and it is therefore not very common. In Sweden there are special intellectual property rights prosecutors who deal with infringement cases.

A separate action which can be considered as an alternative is custom control. Customs can be contacted in order to seize suspected infringing goods.

2.2 Third Party Remedies to Remove Effect of Intellectual Property Right

There are several remedies for third parties who wish to remove the exclusive right of a patent. Third parties can:

- file a third-party observation during the application procedure with the PRO;
- file a request for transfer of ownership based on title to the invention during the application procedure with the PRO;
- file an opposition with PRO within a certain time from when the patent has been granted; or
- initiate court proceedings with an action for better right/entitlement to the invention, a revocation action, a declaratory action for non-infringement or an action for a compulsory licence.

To initiate court actions certain formal rules apply.

Only a person claiming entitlement to a patent is able to initiate an action for transfer of ownership. Such action can be brought within one year from the date on which the party claiming to have a better right learned of the grant of the patent. If the patentee was in good faith about his or her right to the invention when the patent was granted, or when it was assigned to him or her, an action must be brought within three years after the patent was granted. The claimant can also request that the patent should be transferred. An action can only be brought by the party claiming entitlement to the invention.

A third party may bring a revocation action if a patent is a detriment to him or her. It is common that an alleged infringer files a revocation action as part of its defence against the alleged infringement.

A declaratory action for non-infringement requires that the claimant has a specific interest in getting a clarification as to whether there is an infringement or not. This can, for example, be if someone deems that he or she is prevented from using a method or product in their business because it is uncertain whether it is protected by the exclusive right of the patent.

A third party which has an interest to use a patent and which has the ability actually to use a patent can apply for a compulsory licence in certain situations. This generally requires that the third party has tried to get a reasonable licence from the patentee without success. It is very rare that an application for a compulsory licence is granted by Swedish courts.

2.3 Courts with Jurisdiction

The Patent and Market Court has exclusive jurisdiction in matters concerning Swedish patents or the Swedish part of a European patent. It is a special court hosted within Stockholm District Court. It is also designated as the Nordic-Baltic division of the proposed Unified Patent Court (UPC).

Appeals are made to the Patent and Market Court of Appeal hosted within Svea Court of Appeal in Stockholm. Leave to appeal is required for the court to try a case.

Judgments and decisions from the Patent and Market Court of Appeal are not appealable. However, the court may allow an appeal to the Supreme Court if a case involves an important issue of legal principle. However, the appeal is still subject to the leave to appeal from the Supreme Court.

2.4 Prerequisites to Filing a Lawsuit

There are no statutory prerequisites to filing a lawsuit. However, the ethical rules of the Swedish Bar Association require members of the bar (advokater) to provide an opponent reasonable time to consider a claim before taking legal action. Furthermore, a party who initiates an unnecessary trial is liable to pay the counterparty’s litigation costs even if he or she wins the case. Cease-and-desist letters are thus used in almost all cases unless there are particular (urgent) reasons not to. An example of when this is not necessary is in the case of interim injunction actions.

It should also be noted that there are certain prerequisites which must be included in the summons application in order for the court to initiate the legal proceedings (eg, power of attorney for any appointed representative, company information and address of claimant and defendant, a precise request of relief and the grounds thereof).

2.5 Legal Representation

The parties in patent proceedings do not need to be represented by a lawyer. In theory, everyone in Sweden is entitled to represent him or herself or to choose a suitable person to do so. However, due to the technical and complex nature of patent litigations, a legal counsel is almost always appointed as representative.
2.6 Interim Injunctions
An interim injunction may be granted upon application of a patentee or a licensee. The application can be made before, or in connection with, the main action on infringement. Interim injunctions are frequently requested in patent cases.

An interim injunction may be granted under the following conditions:

- the applicant must show probable cause for an infringement of the patent (or imminent infringement);
- there must be reasons to believe that the defendant, by continuing the infringement or contribution to infringement, will depreciate the value of the exclusive right; or
- the applicant must provide sufficient security for the damage an interim injunction might cause the defendant.

An applicant in lack of economic means may request an interim injunction without providing a security. This might, for example, be the case when the applicant is also the inventor. The security is normally a bank guarantee which may be used by the defendant, for example, if the applicant is granted a preliminary injunction and the defendant therefore must cease all use of the alleged infringing product or method but the court subsequently in the main infringement action finds non-infringement.

The purpose of an interim injunction is to preserve the value of an exclusive right during the proceedings. The court will deliver a preliminary decision and assess whether an interim injunction might cause the defendant. The court will also take into account whether it is likely that the patent will be invalidated, in case the defendant has filed a counterclaim for revocation. Interim injunctions are normally decided following written correspondence between the claimant and the defendant. It is very seldom that a preliminary hearing is held, but in theory it is an option.

An injunction may be issued without notifying the defendant before the decision is rendered if a delay would entail a risk of loss (ex parte decision). Swedish courts are, in general, reluctant to render such decisions. It would require extraordinary circumstances in patent cases.

The time period of preliminary injunctions varies on the complexity of the case. In normal cases one can expect to have a decision within three to six months.

2.7 Protection for Potential Opponents
There are no particular protective measures, such as protective briefs, for a potential opponent. However, a preliminary injunction for infringement normally requires the claimant to provide sufficient security to protect the defendant’s potential loss. A potential opponent may file a declaratory action for non-infringement or commence invalidity proceedings.

2.8 Special Limitation Provisions
Special limitation provisions apply in relation to claims for damages and claims for transfer of ownership due to entitlement to the invention.

The right to damages in infringement proceedings is limited to damages incurred during the five years preceding the date an action is brought. This means if you initiate an action on 1 January 2018 you may only claim damages from 1 January 2013.

An action for transfer of ownership based on entitlement to an invention must be brought within one year from the date on which the party claiming to have a better right to the invention than the patentee learned of the grant of the patent. If the patentee was in good faith about his or her right to the invention when the patent was granted, or when it was assigned to him or her, an action must be brought within three years after the patent was granted.

2.9 Mechanisms to Obtain Evidence and Information
There are several mechanisms for obtaining information from an opposing party or third party.

As a general option, a court may upon request from any party issue an order for production of written documents according to general provisions in the Code of Judicial Procedure. Anybody holding a written document that can be assumed to be of importance as evidence in a court case is obliged to produce it. Certain types of documents/information are privileged (eg, correspondence between attorney and client or between relatives). An order for production of written documents can refer to documents in the other party’s possession, or in a third party’s possession.

Furthermore, through Sweden’s implementation of the EU Directive 2004/48 on the enforcement of intellectual property rights (IPRED) several options specific for intellectual property rights have been made available. A patentee or licensee can obtain an order for production of information regarding the origin and distribution network of infringing goods or services. The court may order an infringer, or certain third parties involved in an infringement, to provide such information under penalty of a fine. Information on the origin and distribution network typically relate to: (i) names and addresses of producers, manufacturers, distributors, etc, who have disposed of the goods or provided the services; (ii) names and addresses of designated wholesalers and retailers; and (iii) information on quantities produced, manufactured, delivered, etc, as well as pricing information.
An order for production of information may be issued under condition that the applicant shows probable cause of patent infringement and that the requested information can be deemed to facilitate the investigation of infringement. It may only be issued if the reasons for the measure outweigh the inconvenience or injury it entails for the person subject to the order or any other opposing interest. Anyone who has been ordered to provide information is entitled to reasonable compensation for the costs and inconvenience caused by the measure.

Furthermore, a patentee or licensee can obtain an order for an infringement investigation. Where it can reasonably be assumed that someone has committed, or contributed to, an infringement of an intellectual property right, the court may order an investigation in order to search for objects or documents that can be assumed to be of importance for the inquiry into the infringement. Such an order may also be issued in relation to attempts and preparations for infringements. The applicant must present a sufficient security for any damage that may be caused to the subject of the investigation.

An order for an infringement investigation is executed by the Enforcement Authority which has the right to make copies of, and extracts from, documents for which it is authorised to search. The Enforcement Authority may also take photographs and make video and sound recordings of infringing products and materials or tools that have been used for production and/or distribution of the products.

A request for an infringement investigation can be made during infringement proceedings or prior to the initiation of such proceedings. Since the purpose is to preserve evidence the applicant has to initiate main proceedings within one month from the finalising of the investigation, if a request is made separately.

2.10 Initial Pleading Standards
The initial pleading standard is determined by the general provisions in the Code of Judicial Procedure. The summons application must include, inter alia, detailed contact information of the claimant and defendant, a precise request for relief, a detailed description of the circumstances relied upon and a preliminary statement of evidence including the evidentiary theme for each evidence. In a general sense the procedural rules are the same as in other civil law matters. However, substantive patent law contains a number of specific provisions regarding, for example, time limits for bringing an action for compensation.

In practice, the summons application in main proceedings is quite extensive due to the subject matter. The application should include an adequate description of the patent in suit as well as an infringement analysis or analysis regarding its validity. However, it is possible to elaborate its argumentation and invoke new or different evidence during the whole preparatory stage. The technical and legal aspects are therefore often elaborated in subsequent pleadings.

The preparatory stage of the proceedings includes an exchange of writs and at least one case management hearing. As a starting point, the parties are free to submit pleadings until the main hearing, unless the court decides to close the preparatory stage some time before the main hearing. Patent cases are normally closed approximately one month before the main hearing. During the preparatory stage it is also possible to invoke new evidence. However, negligence on one party’s side (ie, to submit new arguments and evidence late in the proceedings) may reflect on his or her responsibility to pay for the opposing party’s legal costs.

2.11 Representative or Collective Action
The Swedish legal system does not permit representative or collective actions in patent cases.

2.12 Restrictions on Assertion of Intellectual Property Right
The patentee is restricted not to assert his or her right against others in breach of Swedish competition law (eg, anti-competitive agreements and abuse of dominant position). Anti-competitive agreements are invalid and cannot be enforced.

3. Infringement
3.1 Necessary Parties to an Action for Infringement
An infringement action can be brought by the patentee or a licensee (exclusive as well as non-exclusive).

It is not possible for third parties such as distributors or sales agencies to initiate an action for infringement.

Both legal entities and/or their representatives can be sued for patent infringement. According to Swedish case law, representatives of legal entities may be held liable for the patent infringement committed by the company, on the ground that their influence on the company constitutes a personal liability for the company’s infringement. However, in practice, it is very rare that representatives are sued for patent infringement.

3.2 Direct and Indirect Infringement
Statutory law provides that any of the following actions constitutes direct infringement:

- manufacturing, offering, placing on the market or using a product protected by the patent or importing or possessing such a product for any of these purposes;
• using a process which is protected by the patent or knowing – or where it is clear from the circumstances – that the process cannot be used without the consent of the holder of the patent, and offering the process for use in Sweden; or
• offering, placing on the market, or using a product prepared by a process protected by the patent or importing or possessing the product for any of these purposes.

Indirect infringement, however, requires an act which contributes to a direct infringement. Indirect infringement is at hand under the following circumstances:
• if a third party, without the consent of patentee, exploits the invention by offering or supplying a means to a person who is not entitled to exploit the invention to use it in Sweden;
• if the means relate to an essential element of the invention; and
• if the party offering or supplying the means knows, or it is obvious from the circumstances, that said means are suited and intended for use in conjunction with use of the invention.

A patentee is entitled to the same remedies in both cases – to seek an injunction or a declaratory judgment against the infringer and to seek compensation for damages.

3.3 Scope of Protection for an Intellectual Property Right
According to the Swedish Patents Act, the scope of patent protection is determined by the patent claims. When construing the patent claims, the description may serve as a guide.

Further principles of how to assess the scope of protection has been elaborated in case law. In general, Swedish courts follow the principles of Article 69 of the European Patent Convention (EPC) and the Protocol on the interpretation of Article 69. The Protocol on the Interpretation of Article 69 EPC adds that the claims shall neither be interpreted literally nor treated as mere guidelines for the scope of protection.

3.4 Defences Against Infringement
An alleged infringer will try to exclude infringement of the patent enforced by stating that the act does not fall within the patent's scope of protection. However, there are other defences which are commonly used depending on the specific situation.

The defendant can argue prior use rights. The term “prior use” generally refers to a situation where the alleged infringer has been using the invention before the priority date.

The defendant can also argue other rights to use the invention. The alleged infringer may be entitled to practise the invention – for example, on the basis of a licence agreement.

There is also a possibility to apply for a compulsory licence – for example, in the case that the invention has not been exercised during a longer period.

The defendant can also argue exhaustion of rights (ie, that the resale of goods have been placed on the market in the European Economic Area by or with the consent of the patentee).

The defendant can argue that the alleged infringing acts have been conducted for non-commercial purposes or for experimental purposes (the Bolar exemption). The Bolar exemption makes it possible to conduct certain acts during the application for a market authorisation of a generic medicinal product.

3.5 Role of Experts
Experts appointed by parties have an important role in Swedish patent proceedings. They are frequently consulted and relied upon in order to provide the court with information concerning one or several technical issues. The court can also appoint an expert but this is very rare.

The expert must provide a written expert opinion during the preparatory stages of the proceedings. The expert opinion shall state the reasoning and circumstances on which his or her opinion is founded. The questions are decided by the party who invokes the expert. However, it should be noted that the expert is also examined at the main hearing and that the opposing party has a right to cross-examine the expert. It is common that the expert is asked to give a supplementary opinion if the opposing party invokes another expert opinion.

A competent and trustworthy expert can have great impact on a case and this is why party-appointed experts are very important in Swedish patent proceedings. However, it should also be noted that if an expert is not well prepared for his or her examination and/or cross-examination then the testimony can be very detrimental to the outcome.

3.6 Procedure for Construing the Terms of the Patent’s Claims
There is no separate procedure for construing the terms of the patent’s claims. The patent claims are inevitably construed in the infringement or invalidity proceedings.

4. Revocation/Cancellation

4.1 Reasons and Remedies for Revocation/Cancellation
Before a patent application is granted by the relevant authority, third parties have two options in order to oppose the registration of the patent. Firstly, a third party is able
to object to the granting of the patent. An objection to the granting of the patent does not, in this stage, result in the third party becoming a party in the matter. The decision as to whether the patent application should be granted or not still rests with the administrator in charge. Furthermore, a third party is also able to claim entitlement to an invention. However, a claim for transfer of ownership to an invention entails the burden of proof of such title on the third party making the claim.

When a patent application is granted, third parties have the right, within nine months, to file a written opposition regarding the granting of the patent. Such an opposition must include the grounds on which the third party base their opposition and is tried by the Swedish Patent and Registration Office (PRO). An opposition by a third party may result in one of the three following actions:

- PRO revokes the granted patent;
- PRO rejects the opposition; or
- PRO maintains the patent with an amended wording.

The decision taken by PRO with regard to an opposition filed by a third party may be appealed to the Swedish Patent and Market Court, within two months from the decision.

A revocation action may also be initiated in court proceedings either as an independent action or as a counteraction in an ongoing infringement action.

According to Swedish law, there are several grounds which may result in the revocation/cancellation of the patent granted. The relevant grounds are lack of novelty, lack of inventive step, insufficient disclosure, added subject-matter and a third party having a better right to the invention.

4.2 Partial Revocation/Cancellation
A patentee has the possibility to request a patent limitation (eg, in order to limit the scope of the claims in a patent). This course of action may be taken to avoid revocation/cancellation proceedings. A patent limitation request is reviewed by PRO. If the patent limitation request is rejected, the decision to reject may be appealed to the Patent and Market Court.

In court proceedings, the plaintiff may plead that only certain claims in a disputed patent should be declared invalid, thus – if such a claim is successful – resulting in a partial revocation/cancellation of the registered patent.

4.3 Amendments in Revocation/Cancellation Proceedings
The patentee may, in order to maintain patent protection for an invention and prevent the revocation/cancellation of the patent, propose amended claims in a court revocation proceeding. The court then reviews the amended patent claims in order to determine if the amended claims meet the requirements for patentability.

4.4 Revocation/Cancellation and Infringement
The Patent and Market Court has exclusive jurisdiction in cases regarding patent infringement and patent revocation/cancellation. Since the two separate cases are brought before the same court, the main rule is that they are joined and heard together if it is beneficial in regards to the conduct of the proceedings. However, the decision to join two cases rests with the court and therefore it is recommended that the parties express their opinion with regard to the joinder of the cases in the separate pleadings to the court.

5. Trial & Settlement

5.1 Special Procedural Provisions for Intellectual Property Rights
There are some special procedural provisions in the Patents Act (eg, regarding the competent court) and the Act on the Patent and Market Courts (eg, regarding the panel of judges, restrictions in the possibility to appeal). However, the procedure in patent proceedings is very similar to other civil court proceedings. Most procedural provisions are found in general provisions in the Code of Judicial Procedure.

It should be noted that the possibility to use written statements of facts is often used in patent proceedings. This possibility is available in other complex litigations but is probably most used in patent litigation.

5.2 Decision Makers
The composition of the court depends on the specific decision in question and in which instance the proceedings are pending.

As a general rule, decisions on the merits of a case are determined by both legal judges and technical judges. For example, the court of first instance (the Patent and Market Court) is competent with two legal judges and two technical judges when a case is determined after a main hearing. In some cases the court (ie, the legal judge/judges) can decide whether the case requires a technical judge.

The parties may not affect the court’s decision on which legal or technical judge should determine the case. However, the parties are informed about the choice of technical judge/judges and can make an objection if he or she might be prejudiced (the same applies to legal judges).

5.3 Settling the Case
There are no formal mechanisms for settling a case. The parties can settle a case on their own or with assistance from the court (through non-mandatory settlement conferences.
or court mediation). The case can be settled up until the day of the judgment.

The court has an obligation during the preparatory stage to investigate if the parties can reach a settlement. This is often discussed during the case-management hearing and also some time before the main hearing. The same applies if a judgment is appealed. Apart from that, there are no formal mechanisms for settling the case.

If the parties reach a settlement, the parties may choose if they want the settlement to be affirmed in a judgment from the court or if they prefer to keep it confidential and thus to jointly withdraw the case.

5.4 Other Court Proceedings
The court decides whether a case should be stayed pending resolution of other proceedings. Parallel proceedings do not influence the current proceedings as a starting point. However, if it is clear that the validity of a patent will be determined within the near future, the court will likely stay ongoing infringement proceedings. The court may also allow a stay in other cases, if both parties have the same opinion in the matter.

6. Remedies

6.1 Remedies for the Patentee
There are several remedies available for a patentee pertaining to infringement proceedings of the patentees’ patent. The patentee may request that the court prohibits an alleged infringer, under penalty of a fine, to continue with the infringing actions. Such an injunction is available both as a permanent injunction as well as a preliminary injunction, which is in force until the case has been conclusively adjudicated or another decision has been taken. In order to receive a preliminary injunction granted by the court, the patentee must show that there is probable cause that the alleged infringer is infringing or contributing to infringement of the patent. It must also be reasonably assumed that the continuation of the infringing act diminishes the value of the exclusive right in the patent. It should also be noted that the issuance of an injunction is not something the parties can agree on. Accordingly, the court not only decides whether the injunction should be granted, it is also free to rephrase the claimed injunction.

The patentee may also request that an alleged infringer shall provide the patentee, under penalty of a fine, with information regarding the origin and distribution network for the goods and services to which the infringement pertains. Such an order to provide information may also be targeted towards, for example, parties that on a commercial scale have disposition over the infringing goods or services or parties that on a commercial scale have used the services to which the infringement pertains. Before the court grants an order to provide information it has to conclude that the reasons for the measure outweigh the inconvenience or injury which the other party may suffer due to the measure.

Furthermore, the patentee also has the possibility to request an infringement investigation, resulting in, if granted by the court, an investigation of the infringer's premises in order to secure evidence regarding the infringement. In order for the court to grant an infringement investigation, the patentee must show that it can reasonably be believed that the party which is the target of the infringement investigation has committed or participated in an infringement.

The court may also, due to a request from the patentee, order that goods that infringe an exclusive right to a patent must be withdrawn from the market, destroyed, modified, etc, and that an infringer may bear the cost pertaining to the patentee's publication and spreading of information regarding the judgment on patent infringement. However, it is up to the patentee to convince the appropriate media outlet to publish said information.

The court may also order the defendant to bear the reasonable costs for suitable publication of the judgment in order to enlighten the public of the infringement.

As regards damages due to a patent infringement, there is a difference in regards to if the infringement has been made with intent/negligence or not. If a patent infringement wherein the infringer has not acted with intent or through negligence, damages are limited to compensation for the use of the invention subject to the patent, to the extent the court finds this reasonable. If an infringer has acted with intent or through negligence, the patentee also has the right to additional compensation for the loss resulting from the infringement. When determining the amount of the additional compensation the court shall take particular consideration of lost profits, profits realised by the party committing the infringement, damage to the reputation of the invention, non-pecuniary loss and also the interest of the patentee in preventing infringement from taking place. Punitive damages are not available under Swedish law.

The court has no discretion with regard to the choice of remedies stated above. However, some of the remedies require that the court decides on what is reasonable, on the grounds of the individual case. In some exemption cases where it is impossible, or where the patentee is severely limited in relation to showing the exact amount pertaining to the damages suffered due to the infringement, the court may estimate the amount of the damages suffered up to a reasonable amount.
6.2 Rights of Prevailing Defendants
As a general rule, the prevailing party has the right to be reimbursed by the losing party in respect to reasonable litigation costs and attorney fees. However, this may vary depending on whether the prevailing party has succeeded with all claims tried by the court – eg, in some cases where the prevailing party has lost minor claims in the proceeding but won the case overall, the right to be reimbursed may be limited to some extent.

6.3 Types of Remedies
The type of remedies for technical intellectual property rights do not differ from one another.

6.4 Injunctions Pending Appeal
If a case of patent infringement has been decided by the first instance in favour of the patentee and the patentee has requested that the court grants an injunction, the injunction will be granted. The court may make some minor amendments of the scope of the injunction which it finds suitable in light of the circumstances of the case. Where the defendant appeals the judgment of the first instance, in most cases effects pertaining to such a granted injunction will be suspended until the case is conclusively adjudicated.

If the patentee has requested a preliminary injunction, which has been granted by the first instance, it is possible for the defendant to appeal the granted preliminary injunction and the Swedish Patent and Market Court of Appeal will base a decision regarding the granting of the preliminary injunction based on the merits of the case in the appealed judgment.

7. Appeal

7.1 Special Provisions for Intellectual Property Proceedings
The appellate procedure is, in principle, the same as in proceedings not related to intellectual property rights. However, the Patents Act and the Act on the Patent and Market Courts include special provisions regarding the appellate procedure in patent proceedings. Besides the procedural provisions, it should be noted that the right to appeal is limited in patent proceedings (as regards appeal to the Supreme Court).

7.2 Type of Review
An appeal implies a full review of the facts of the case. The parties are allowed to exchange writs and thereafter an oral hearing takes place. Oral evidence invoked in the first instance is, however, normally video-recorded and the appeal court will review the recordings instead of having the witnesses testify again. The appellant can limit the scope of review to certain questions. It should also be noted that new facts or evidence are not allowed in the appeal proceedings except under certain circumstances.

8. Costs

8.1 Costs Before Filing a Lawsuit
The costs arising before a lawsuit are typically related to warning letters, gathering of evidence, research on technical and legal questions, drafting the summons application, arranging a bank guarantee when necessary and efforts to settle the dispute.

8.2 Responsibility for Paying Costs of Litigation
The losing party is required to reimburse the prevailing party for its litigation costs. This applies to attorneys’ fees, court fees, costs for evidence, etc, but only in the extent to which the litigation costs are deemed reasonable by the court. The litigation costs can also be divided between the parties if both have prevailed in different questions. There are exceptions where a party has acted negligently or initiated an unnecessary trial.

9. Alternative Dispute Resolution

9.1 Type of Actions for Intellectual Property
Alternative dispute resolution (ADR) is not normal practice when settling a patent case. Licensing agreements and other contractual issues related to patents are, however, often submitted to arbitration. Patent infringement disputes are sometimes submitted to arbitration, but the possibility of getting a preliminary injunction at the Patent and Market Court is probably the reason why this option is more often used. It is not possible to submit an invalidity action to arbitration as it can only be determined by the court. Mediation exists as a possibility although it is rarely used.

10. Assignment and Licensing

10.1 Requirements or Restrictions for Assignment of Intellectual Property Rights
There are no formal requirements or restrictions to assigning a Swedish patent or patent application.

However, it should be noted that, as regards EP patent applications, assignments must be in writing and require the signature of both parties.

10.2 Procedure for Assigning an Intellectual Property Right
There is no formal procedure for assigning a patent right. There is, however, a possibility for the patentee or assignee to request that the assignment is registered in the patent register administrated by PRO. This procedure requires, inter alia, a written, signed request from the patentee or the assignee. In general, proof of the assignment is not required for the registration.
10.3 Requirements for Restrictions to License an Intellectual Property Right

There are no formal requirements or restrictions to licensing a patent right. The patentee is free to license his or her right by way of an agreement.

10.4 Procedure for Licensing an Intellectual Property Right

There is no formal procedure for licensing a patent right. It is very rare that patent licences are registered in the patent register; however, there still exists a possibility for the patentee or licensee to request that the licence is registered in the patent register administrated by PRO. This procedure requires, inter alia, a written, signed request.