

Bird & Bird

# Australia

Patent Litigation Q&A

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# Australia – Patent Litigation

## Where can patent infringement actions be started? Is there a choice of venue?

Patent infringement actions are primarily heard by the Federal Court of Australia (Federal Court). While State and Territory Supreme Courts also have jurisdiction to hear patent infringement matters, infringement proceedings are typically brought in the Federal Court because there are numerous judges with patent (and other IP) expertise and technical qualifications.

## Are the judges' specialists? Do they have technical backgrounds?

The Federal Court has an Intellectual Property National Practice Area with a specific sub-area for Patents & Associated Statutes. There are 16 judges allocated to the Patents & Associated Statutes sub-area that hear patent matters and have extensive patent experience.

In the Federal Court there are some judges who have specific technical backgrounds.

## How long does it take from starting proceedings to trial?

The aim of the Federal Court is to bring cases to trial within 12-18 months of commencement.

## Can a party be compelled to disclose documents before or during the proceedings?

There are several ways to compel a party to disclose documents.

If a party believes that it may have a claim or the right to obtain relief, but it does not have sufficient information to decide whether to bring proceedings, it can seek preliminary discovery of documents from the opposing party.

Once proceedings have begun, a party can still seek discovery of documents from the other party by making an application with the court, on the basis that discovery will facilitate the just resolution of the proceeding as quickly, inexpensively and efficiently as possible. However, the parties do not have a guaranteed right to discovery. The Court will not approve expansive or unqualified requests. If the Court orders discovery, the parties have a continuing obligation to make discovery.

Parties can also use 'Notices to Produce' to compel the other party to produce a document or thing, within its "control" (i.e., possession, custody or power).

## How are arguments and evidence presented at the trial?

Parties can present their arguments by way of written submissions and oral submissions.

Any affidavit evidence that is relied on by a party will be formally 'read' at the hearing, and the person that gave the affidavit will then usually be required for cross-examination.

## How long does the trial generally last and how long is it before a judgment is made available? Are judgments publicly available?

Trials for patent infringement may last anywhere between 5-7 days. If there is a cross-claim for invalidity, such matters can run anywhere between 10 and 15 days.

A judgment can usually be expected some 6 to 12 months after the conclusion of the trial. Judgments are typically published on the Federal Court website within 24 hours of them being delivered.

## Can a defence of patent invalidity be raised? Are infringement and validity issues heard together?

A party that has been sued for patent infringement can raise a defence of invalidity, and cross-claim for invalidity.

Infringement and validity issues are normally heard together.

## Are infringement proceedings stayed pending resolution of validity in the national patent office (or, if relevant, the EPO) or another court?

Re-examination of the patent in the Patent Office cannot occur while proceedings are pending in the Court.

## Are preliminary injunctions available? If they are, can they be obtained *ex parte*? Is a bond necessary? Can a potential defendant file protective letters?

Preliminary injunctions are available and can be obtained *ex parte* in urgent cases. In deciding whether to grant a preliminary injunction against an alleged infringer, the court will make these enquiries: (i) whether the patentee has a *prima facie* case (i.e. there is a probability that the patentee will succeed at the final hearing); (ii) whether the balance of convenience favours the granting of the injunction (this involves an assessment of the harm to the applicant and prejudice to the respondent in ordering the injunction); (iii) whether damages are likely to be an adequate remedy if an injunction is not granted.

A party does not need to give a bond, but it will need to give the 'usual undertaking as to damages' whereby it undertakes to submit to any order of the Court for the payment of compensation to any person affected by the operation of the injunction.

Protective letters cannot be filed with the Court to protect against *ex parte* injunctions.

## Are final injunctions available as of right? Is a bond necessary?

Final injunctions may be granted, as well as any other relief orders that the Court sees fit. Injunctions are discretionary and not available as of right.

A bond is not necessary.

## What other remedies are usually ordered if a patentee is successful?

Available remedies that may be ordered include declarations of infringement, damages, or an account of profits, and additional damages (though additional damages are rarely ordered).

## Would the tribunal consider granting cross-border relief?

The tribunal would not consider granting cross-border relief.

## Is there a right of appeal from a first instance judgment? How long between judgment at first instance and hearing the appeal?

There is a right to appeal from a first instance judgment - a party can appeal to the Full Court of the Federal Court of Australia.

A party should allow between 4 to 6 months for appeal to be heard (it will be heard during one of the designated sitting periods of the Full Court).

## Is an appeal by way of a review or a rehearing? Can new evidence be adduced on appeal?

An appeal is limited to the issues raised on appeal and is confined to oral and written submissions.

No new evidence can be adduced, and no submissions can be made that were not made at first instance.

What is the cost of a typical infringement action to first instance judgment? If the issues of invalidity and infringement are bifurcated, what is the cost of the invalidity action? Can the winner's costs be recovered from the losing party? How much is the cost of an appeal?

Depending on the complexity and range of expert evidence required, a party should expect costs of an infringement and invalidity action to be in the range of €500,000 and €1,252,500.

If the issues of invalidity and infringement are bifurcated (which does not normally occur), a party could anticipate costs of the invalidity action alone to be €380,000 – €940,000.

The winner should anticipate recovering between 60 and 75% of its costs from the losing party.

Costs of an appeal can range from €95,000 - €190,000, depending on the number of issues raised on appeal.

## Author



## Rebecca Currey

Special Counsel

+61292269865  
rebecca.currey@twobirds.com

# twobirds.com

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