

Patents in Europe 2008

Spain

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1. What options are open to a European patent holder, whose rights cover your jurisdiction, when seeking to enforce its rights in your jurisdiction?

In the Kingdom of Spain, European patent holders may take civil court action against possible infringers of their rights through the relevant legal proceedings. In exceptional circumstances, if a crime has been committed, a criminal action may be brought. The administrative courts cannot be petitioned to revoke a patent, since the civil courts are competent for all proceedings relating to patents. The Spanish courts also have exclusive jurisdiction to hear cases involving patent rights granted for Spain. Action may be brought either in the court with jurisdiction in the territory where the defendant resides or in the competent court in the territory where the infringement was committed.

2. Does your jurisdiction have specialist patent courts? If not, what level of expertise can a patent owner expect from the courts?

Since September 2004 Spain has had specific courts – the Commercial Courts – that specialise in commercial matters, including intellectual property rights and unfair competition. The main courts where most of these cases are heard are in Barcelona and Madrid, where there are six and seven respectively. In each of these cities there is also a specialised section of the appeal court that hears all appeals in such matters. These courts have increasingly specific knowledge of patents.

There is no body of judicial technical experts, nor are judges specialists from a

technical point of view or supported by court technical specialists. The judges and senior judges are lawyers; however, it is normal practice for them to agree to a request by the parties in litigation for the appointment of an independent expert to issue an opinion on the questions the case concerns.

3. Is it possible to cross-examine witnesses at trial? How far are proceedings based on written evidence? Are there restrictions on the use of evidence from experts?

Spanish procedural law allows witnesses, the parties or court-appointed experts to be cross-examined at the request of the parties, who normally deem this is appropriate. During the hearing, the parties, witnesses and experts are examined and questioned. The judge may intervene where he or she considers it necessary. As the cross-examination is oral and takes place in front of the judge, good preparation is important.

Evidence submitted in patent infringement proceedings is initially based on the technical opinions provided by the parties' expert advisers. These are classed as court-recognised experts and must swear on oath to perform their duties objectively and impartially, taking into account everything that might be beneficial or prejudicial to either party. The technical opinions usually include the documents required to prove that an infringement has been committed, such as laboratory analysis or voice, image or data recordings. Experts may attach any exhibits or evidence to their reports that they consider necessary to support their statements. Any relevant documents must be translated into Spanish.

4. Are infringement and invalidity dealt with simultaneously? What level of proof is

necessary to demonstrate one or the other?

The Commercial Courts have jurisdiction to hear cases involving both infringement and invalidity. An allegation that the patent is invalid is a common defence in infringement cases. This often also tends to be useful to show the judge where the invention stands in the state of the art, while also presenting the technical contribution made by it in order to present the defence against the infringement. Invalidity may be alleged either as an objection, in order to seek dismissal of the claim due to the invalidity of the patent, or by way of bringing a counter-claim. If this is accepted by the court, the Spanish part of the patent will be declared invalid and the patent's registration with the Spanish Patent and Trademark Office will be cancelled, with the consequent effects for third parties.

5. To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted?

There is a specific procedure in Spain to determine whether an infringement has been committed, called "*diligencias de comprobación de hechos*" – court inspection proceedings to verify a possible infringement *in situ*. This basically allows the plaintiff to petition the court, where there are signs of infringement for which it lacks proof, to appoint one or more experts (normally one technical specialist and one IT specialist) to assist the judge in the *diligencias*. The procedure is carried out at the premises of the possible infringer, to find out whether the latter has actually infringed a patent right or is about to do so. If so, the necessary documents are drawn up and a copy is provided to the party that requested the procedure so that it can bring the appropriate patent infringement claim. If not, the court orders that the procedures stay confidential and that none of the information may be provided to the petitioner.

Another possibility to obtain evidence related to the case is through preliminary proceedings specifically designed for IP matters. These were implemented in 2006 in order to implement the EU IP Enforcement Directive (2004/84/EC). As long as there is enough evidence of infringement, the court may be petitioned to allow the infringing party to be cross-examined, prior to the initiation of an infringement action, regarding its suppliers, customers and distribution channels, as well as product quantities,

sales and the reference of the product in the market. A petition may also be made for the provision of commercial, customs, accounting and financial documents in order to prepare the case. This measure is carried out before the relevant party is served notice.

6. To what extent does any doctrine of equivalents apply in an infringement action?

Spanish courts are routinely starting to accept the doctrine of equivalents. The courts (eg, the Provincial Court of Barcelona) now even quote landmark judgments such as *Catnic*, *Improver* and *Formstein*. Some judgments have also taken into account the patent's registration background in determining the specific scope of a particular patent right. Specifically, the appeal courts in Madrid and Barcelona are applying the Protocol in Article 69 of the European Patent Convention, as well as its Article 2, which provides that claims must be read according to the description and the description cannot replace the claims, the effects of certain assertions and limitations made during the prosecution background. However, some judges in the courts of first instance are not well accustomed to applying these concepts.

The appeal courts tend to lean more towards technical issues and to assess judicially the statements of experts. This did not used to be the case, which in the past gave rise to a Supreme Court doctrine according to which questions of validity or infringement were technical questions that could not be taken into account in an appeal for annulment by a higher court (cassation).

In recent years, the doctrine of equivalents has been replacing the traditional approach taken by the Supreme Court, based on the essential nature of a patent's elements. This has given rise to the possibility of disregarding the elements of the claim considered secondary by the expert, generally the court-appointed expert.

7. Are there certain types of patent right that may be granted by the EPO – biotech or computer software-related, for example – that are more difficult to enforce than others?

There are no past cases from which statistics can be produced. The Spanish courts have not ruled on certain issues that are currently hot topics in some European

countries and the United States.

8. To what extent are courts willing to consider, or bound by, the opinions and decisions of other courts that have dealt with similar cases?

The Spanish courts and parties in litigation increasingly refer to judgments laid down by other European courts concerning the infringement or invalidity of the same patent. Background such as this tends to be accepted as a relevant exhibit by the courts. However, the parties must prove to the Spanish court that the facts put before it are the same as those on which the foreign court based its decision.

9. To what extent are courts willing to consider the reasoning given by foreign courts that have handed down decisions in similar cases?

The courts indirectly take into account the arguments put forward in foreign decisions in their own judgments, albeit by taking them for their own. This is normal practice, since the judgment laid down by the Spanish court is that which will be submitted to the appeal court. Therefore, just as in any other kind of proceeding, the parties must be aware that certain facts may need to be proved to convince the court, and that a foreign judgment cannot be relied on as being sufficient to win the case in Spain.

10. What options are open to a defendant seeking to delay a case? How can a plaintiff counter delaying tactics?

The terms stipulated by Spanish law for the parties' actions are very strict. Along with their respective initial documents, the parties must submit all available evidence. The courts do not allow documents or experts' opinions to be provided later on if they could have been submitted or announced previously.

In the past, it was common practice to employ delaying tactics based on procedural rules. Today it is not quite so easy for the defendant to interrupt court proceedings through procedural strategies. Adjournment of a hearing may be petitioned if, for example, witnesses or experts will be unable to attend. However, there is always the risk that it may harm the party which requests the adjournment if the judge decides to go ahead without cross-examining someone.

11. How available are preliminary

injunctions and how do you get them?

Preliminary injunctions may be requested either before bringing the infringement claim or together with the claim. They must be requested for urgent reasons and there must be *prima facie* justification that infringement has been committed in a plausible manner and that there will be costly consequences for the plaintiff if the injunctions are not ordered. The rights holder must also prove that it is making use of the patent, or that serious and effective preparations are being made for this purpose. The parties are usually summoned to a hearing, although the court may consider the possibility of granting the injunction *ex parte*. In view of the arguments that the parties put forward, the judge will decide whether the injunction should be granted. If the injunction is granted, the defendant may request its suspension by offering a counter-guarantee, which the judges sometimes deny.

12. How long does it take to get a decision at first instance? Is it possible to expedite this process?

Depending on the court involved and its workload, first instance proceedings normally last between 12 and 18 months in Barcelona, and between 18 and 24 months in Madrid. The main circumstances that may hold up a case are:

- Bringing a claim against a party that is resident abroad;
- Needing to provide technical expert evidence;
- The complexity of certain evidence (eg, carrying out trials, analyses and reproductions, or inspections in plants in Spain or abroad); and
- The number and nationality of experts or witnesses.

13. What avenues for appeal are open to the defeated party in a first instance case? What criteria are there for granting an appeal? How long does the appeal process take?

An appeal is common in patent cases and there are no special requirements. The losing party merely needs to serve notice that it does not agree with the decision within five days of the ruling, and must then submit the reasons for its appeal within a 20-day term granted by the court. The appeal court will review the judgment and rule on the assessment of the facts by the court of first instance and whether its judgment was in accordance with the law.

The appeal ruling may take one to two years (eight to 14 months in appeals against interim injunctions), depending on the court hearing the appeal and its workload, and whether the court decides, exceptionally, to allow evidence that was denied by the court of first instance.

In exceptional circumstances, an appeal for annulment by a higher court (cassation) may be brought against the appeal court's decision. If the appeal is accepted for hearing, the Supreme Court will rule on whether to allow the appeal within about one to two years, and will rule on whether to overturn the decision within five years. As the Supreme Court is endeavouring to shorten the time taken to issue its decisions, it is refusing to hear many appeals.

14. To take a case through to a first instance decision, what level of cost should a party to litigation expect to incur?

Although the costs of court proceedings depend on the complexity of the case, they can be estimated at between Euros 40,000 and Euros 150,000, on average.

15. Who can represent parties in court? Is specialist representation required?

The parties are represented in legal proceedings in Spain by their lawyers and formally by a court liaison officer (*procurador* in Spanish). The latter is a legal professional who acts as an intermediary

between the court and the party's lawyer. The lawyer need not have any specific technical qualifications. However, in practice he or she is often a specialist in patent law who is familiar with the subject matter.

16. What remedies are available for infringement and how are these typically applied? Are punitive damages available and in what circumstances?

Legal actions may be brought to:

- Obtain a cease and desist order against the infringer;
- Seize or destroy infringing products or machinery and moulds exclusively used for the purpose of infringement;
- Prohibit the recommencement of infringing actions; and
- Obtain compensation for damages and losses.

Damages and losses are determined by calculating the profits earned by the defendant as a result of the infringement, the plaintiff's lost profits and the cost of a possible licence. The plaintiff may also obtain compensation for harm caused to the prestige of the invention if this can be proven (eg, inadequate or defective presentation of the product on the market). Spanish law has recently also included the possibility of claiming compensation for moral damages. There is no reference in Spanish law to the possibility of claiming punitive damages in the same sense as under US law.



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In addition, in Spain, as in other European countries, a claim may be brought against others who contributed to the infringement, provided that they were aware that the means delivered to the infringing party were to be used to manufacture the infringing products.

17. Are there any realistic alternatives to litigation in cases relating to patent disputes?

The parties may agree to arbitration or conciliation, although this does not usually occur unless there is a special reason (eg, both parties' need for discretion and confidentiality, or the parties have previously entered into an arbitration agreement).

18. Has your jurisdiction signed up to the London Agreement on Translations? If not, how likely is it that it will do so?

The Kingdom of Spain has not yet signed up to the London Agreement of Translations and the Agreement is not expected to be signed in the near future.

19. Are there any other features of the enforcement system in your jurisdiction that you would like to point out?

Until 7th October 1992, chemical and pharmaceutical products could not be patented in Spain. For patents filed before this date which have new products as their subject matter, the holder may ask the courts to consider reversing the burden of proof, shifting it to the defendant, and to presume, unless otherwise proven, that the patented process is being used.

However, in two judgments the appeal courts of Madrid and Barcelona each accepted the patentability of claims concerning chemical and pharmaceutical products in cases where the patents were applied for before 7th October 1992 but were granted with product claims. These judgments applied Article 70 of the TRIPs Agreement in order to accept the validity of these product claims. Further appeals are to be heard at the end of the year, so further decisions on this issue can be expected.