

Spain

The evolution of IP law: new trends and challenges

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In Spain, only commercial courts can hear cases related to industrial or intellectual property and unfair competition. There are commercial courts seated in every capital city of Spain's 52 provinces.

The competent courts for industrial property matters in cases related to patents, trademarks and industrial designs are in cities where the High Court of Justice is located in each autonomous region; this limits the number of possible places to file actions to the 17 capital cities of Spain's autonomous communities.

For cases involving infringement of Community trademarks or designs and non-registered designs governed by the Community Trademark Regulation, only two commercial courts in Alicante – where the headquarters of the Office for Harmonisation in the Internal Market is located – can hear legal actions filed in Spain.

As the European Union has no unitary patent system (although this is set to change imminently), patents must be filed in each EU member state (this is also true for trademark and design cases). The traditional position taken by some member states prevented sole title from being obtained. There were two main reasons for this opposition:

- language; and
- jurisdiction.

As far as language is concerned, the European patent system (which is separate to the Community patent system) uses three official languages (English, French and German); however,

countries can choose to require a translation of the patent in their own language, which occurs in almost all cases. Therefore, each patent actually has a single text, but its contents are translated into the official language of each country.

As far as jurisdiction is concerned, certain countries have categorically opposed certain jurisdictions having the power to decide on the validity of a European document. Therefore, the lack of trust in the capacity of the legal system to decide on aspects as sensitive as evaluating novelty or the inventive step of a patent has hindered the progress already made on this matter.

Similarly, software patents and practices related to the Internet have resulted in new aspects of industrial property being included in Spanish case law. Moreover, these issues have led to a reconsideration of specific aspects of Spanish IP law, such as the requirements to patent an invention or utility model.

Barcelona commercial courts: pioneers in IP specialisation

Due to an agreement adopted at the Plenary Meeting of the General Council of Judicial Powers held on November 23 2011, the body governing judicial powers in Spain assigned certain Barcelona commercial courts exclusive jurisdiction to hear certain types of case:

- Commercial Courts 1, 4 and 5 hear cases related to patents and advertising;
- Commercial Courts 1 and 8 hear trademark, industrial design and IP cases;
- Commercial Courts 3 and 7 hear unfair competition and protection of competition cases; and
- Commercial Courts 6, 9 and 10 hear cases challenging company resolutions and directors' liability actions.

However, these courts continue to be competent to hear other types of commercial case, such as bankruptcy proceedings, which are assigned among them based on quantitative criteria, with no differentiation regarding the type of case.

The agreement affects only Barcelona courts and not those in other Spanish cities. For example, if a claim for infringement of patent rights is filed in Barcelona, it can be heard only by Commercial Courts 1, 4 or 5; however, if it is filed in Madrid, it could be assigned to any of the city's 12 commercial courts, according to the assignment rules.

One of the key aims of the agreement is to improve the experience and knowledge of specialised courts, which should lead to greater legal security and an improvement in the efficiency and speed of judgments for disputes.

Specialised judges also undertake a commitment to act in a collaborative manner, acting as if they all belong to the same court of first instance specialising in the IP field. Collaborative actions do not apply to all cases; this is determined as these specialised courts acquire experience in the new arena of specialisation.

The European unitary patent and Spain

Spain and Italy have opposed what seems to be the latest and most serious attempt to set up a patent system in the European Union, after the failure of the Community Patent Convention (1975 and 1988) and the proposal for the Community Patent Regulation (2000). There are several reasons for such opposition; in Spain's case, the most important reason is to protect the Spanish language, which is not included in the proposal put forward by the United Kingdom, Germany and France. The proposal to create a unitary patent is not free from setbacks, since the European Court of Justice (ECJ) must still decide on two appeals filed by Spain and Italy, respectively, against the decision to adopt a text that does not have the consensus of all the EU member states.

The proposal put forward by the three aforementioned states not only opts for the grant of a patent in only three languages (English, French and German), but also circumvents the territorial jurisdiction set out in the Community Trademark Regulation for

Community trademarks and designs, in which a competent court was assigned in each EU country. The proposal assigns a sole court for cases, with its headquarters in London, Munich or Paris; the court management will be centralised in Paris. This implies that a special European court would be set up with no precedents in EU law that would directly judge civil disputes filed by individuals.

The ECJ has already raised an objection that a court with these characteristics could be excluded from ECJ supervision at final instance.

There has never been a proposal that cases will be heard only by the courts of first instance in three member states. The unitary patent runs a risk of starting the break-up of a unification system that has always observed legal equality of all the states in its construction, as occurs in trademark or industrial design law.

The patentability of software in Spain

On November 7 2011 the Madrid Appeal Court, which specialises in commercial cases, acknowledged the patentability of computer programs provided that they have a technical effect based on the European Patent Convention and European Patent Office (EPO) case law (which began at the end of the 1990s with Decisions T 935/97 and T 1173/97 of the EPO Board of Appeal).

According to the court, if an invention resolves a technical problem it can be patented under Article 52 of the European Patent Convention. The court considered that this technical effect can consist of:

- the control of an industrial process, data processing or internal functions of computers as such or their interfaces under the influence of the program which could, affect the efficiency and security of a process;
- the management of required IT resources; or
- the rate for data transfer in a communication link.

The court considered that the exclusions from patentability in Article 52, including computer programs, are only applicable as such – in other words, when they consist of mere mental and abstract operations or reasoning, the only purpose of which is their implementation.

Internet search engines and copyright

On April 3 2012 the Supreme Court ruled on a copyright case related to the unauthorised disclosure of protected works created by internet search engines, such as Google.

The procedure used by Google consists of search robots that track all connected websites and make html copies of the pages visited in their own memory in order to index the information contained on these pages. The court highlighted that the crucial point is that the information processing is carried out by Google in its own computers and using a database which compiles the information copied in so-called 'cache memory media,' which is temporary and transitory.

According to the court, this activity *per se* would imply a partial or total reproduction of the websites, which would mean an infringement of the owners' exploitation rights and require prior authorisation by the author. In the case at hand, an online betting site accused Google of including its website in the search engine. The plaintiff petitioned that the Google search engine be closed down and claimed compensation for the damages caused.

In its ruling, the Supreme Court considered that the reported activities did not infringe intellectual property due to being "fair, clean or loyal use", applying the institution of *ius usus inocui* (right to harmless use), similar to the English doctrine of fair use, which the court applied to interpret the copyright limits.

A typical novelty required for utility models in Spain: a change in trends?

The object of a utility model in Spain must be an invention that is new and implies an inventive step, consisting of creating an object with a layout, structure or composition in which there is some discernable advantage for its use or production. The special features of the Spanish system mean that the requirements for novelty and inventive step are much less demanding than for patents.

In particular, the state of the art with references, based on which the novelty and inventive step of utility models must be assessed, consists of everything that has been disclosed in Spain before the date when the application is filed for protection as a utility model. In other words, contrary to patents, the

state of the art is structured by what has been disclosed in Spain but not abroad; moreover, it is insufficient that it is accessible by the public – it must also be disclosed.

This special feature of the Spanish system has led to judgments by the Supreme Court in which foreign patents have been excluded from the state of the art even if they are recorded in the technological IT centre of the Patent and Trademark Office. This doctrine has been questioned in recent years by various specialised industrial property sectors.

A judgment by the Madrid Appeal Court on November 11 2011 accepted that patents could be part of the state of the art in order to analyse the validity of utility models, even if they are international, whenever they can be accessed through the Espacenet website, as promoted by the EPO and to which the Patent and Trademark Office provides a link on its website. The court considered that this was applicable since this website provides full access to a total of 60 million documents, publicly and free of charge, from more than 20 patent offices.

Regarding the requirement for prior disclosure, according to the court proof of this effective knowledge, which is acknowledged as normally being difficult to obtain, must be provided when disclosures are subject to publication in the press and their dissemination is easily available for any person with normal motivation.

This judgment could imply a change in trends that brings Spain closer to international standardisation for assessing the requirements for novelty and inventive step of all inventions, whether they are registered as patents or utility models.

Pharmaceutical products and patents

In Spain, pharmaceutical products could not be patented until October 7 1992. However, many applications for European patents before this date were granted with product claims for Spain in spite of the objection made by Spain to this convention. Some courts, such as those in Barcelona, have validated the contents of these patents by applying the disputed Agreement on Trade-Related Aspects of IP Rights.

This doctrine, accepted up to now by the Supreme Court, has encouraged some

pharmaceutical companies which, by complying with the law in force at such time, had not applied for the extension of product protection for the territory of Spain, to submit reviewed translations including the contents of the patent granted for other countries and not for Spain. In the beginning, the Patent and Trademark Office refused to publish these translations, not because they had been granted for countries other than Spain, but because Spain did not allow product protection.

At the end of 2010, the Supreme Court rejected the refusal to publish the new translations based on the fact that the Patent and Trademark Office could not refuse a translation granted by the EPO, which led the office to publish the revised translations that were submitted to it with no further analysis.

As a result of these publications and the actions filed based on these patents, two Barcelona courts have issued contradictory judgments:

- one admitted interim injunctions based on these translations, without assessing the allegations of the defendant laboratories, which had sustained that the translated and published text was not the same as the one granted for Spain (the *Sildenafil* case); and
- the second dismissing these measures due to considering that the translation of the patent was incorrect because it corresponded to the one granted in territories other than Spain (the *Escitalopram* case).

In both cases, the generic medicaments had been marketed in Spain for more than two years and it is hoped that the higher courts will clarify the legal situation.

The ECJ is also to adopt a decision on a case forwarded by a Greek court related to the same matter. Therefore, a change in criteria could take place in some Spanish courts, unifying case law on a disputed matter and affecting the interests of many parties, including the state. **iam**

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