Clearing the way for no delay

THE CASE: 
Envac v Ros Roca
Civil Chamber (First) of the Spanish Supreme Court
11 July 2012

On 17 October 2012, the Civil Chamber of the Spanish Supreme Court made public its judgment of 11 July 2012 in the case Envac v Ros Roca (official Repertoire of Jurisprudence Number ROJ STS 6603/2012 and Westlaw citation JUR/2012/340063). The decision finally closed the important question of when shall the effects of European patents begin in Spain.

Briefly summarising the case (referred to previously in the article ‘Delay on the effectiveness of European Patents in Spain?’ discussing the judgment of the Provincial Court of Barcelona in 23 October 2008, now revised by the Supreme Court), the decision discussed the infringement and validity of a European Patent protecting a vacuum system for waste collection owned by Swedish company Envac Centralsug Aktiebolag against Spanish company Ros Roca.

In that case, apart from counterclaiming against the validity of the patent, Ros Roca did not challenge the infringement itself but the quantification of the damages, questioning the date of the commencement of the effects of the European patent in Spain, asserting that it should be the date when its translation at the SPTO (in that case, on 5 January 2005), within the three-month term provided pursuant to article 65 European Patent Convention (EPC) and the provisions of the Spanish Royal Decree implementing it.

That is, from the moment the patentee, after the granting of the European patent, filed the Spanish translation at the SPTO (in that case, on 5 January 2005), within the three-month term provided pursuant to article 65 European Patent Convention (EPC) and the provisions of the Spanish Royal Decree implementing it.

The Court of Appeal based its interpretation basically on two counts:

• The rules on translations provided by articles 65 EPC and 7, 8 and 9 of Royal Decree 2424/1986 entitled contracting states having a non-EPO official language to postpone the date of effectiveness of European Patents until a translation of the patent was filed and published. And it is precisely the publication the taxable event for which a fee must be paid when filing the translation.

• The assimilation of granted European patents to granted national patents (articles 4 Royal Decree and 2, 64 and 66 EPC) would supposedly extend to the rules establishing the commencement of the effectiveness of Spanish patents at the date of publication of their granting. Accordingly, European patents should also need to have a similar act of publication in Spain, and the court held that this should be the publication of the translation.

As already warned in my previous article, this was an unfortunate interpretation of the law which, if confirmed, would create a serious delay in the commencement of the effectiveness in Spain of European patents. The majority considering that 90% of the patents in Spain are either European patents or Euro-Patent Cooperation Treaty patents. Postponing it beyond what is foreseen by the EPC, until the date of publication of the patent in Spanish, would leave European patents in limbo after their granting, without true effects and depending on the questionable diligence of the authorities responsible for such publication.

However, on appeal, the Barcelona Provincial Court, which has the longest-standing specialisation in patent matters in the country, revoked that decision, declaring that the patent should be considered effective only from the moment the SPTO effectively published the translation, which occurred five months later, on 1 May 2005. This excluded all the damages accrued during the term before the publication of the translation.

The Supreme Court confirmed that Spanish laws cannot, in any event, derogate the express terms of article 64 EPC, that shall prevail over National Law.”

Hoyng Monegier’s Álvaro Velázquez reviews the Spanish Supreme Court’s landmark decision that there must be no delay on the effectiveness of European patents set out by the European Patent Convention
such judgment had already been applied by the Barcelona Courts (eg, the decision of Commercial Court No 3 of 30 March 2009).

Now, in its important judgment of 11 July 2012, the Supreme Court has finally ruled in favour of Envac and fortunately rectified this, clarifying that European patents shall be considered effective as from the publication of the mention of the grant in the EPO Bulletin and not from the later date of publication of the translation in Spain. The Supreme Court confirmed that Spanish laws cannot, in any event, derogate the express terms of article 64 EPC, that shall prevail over National Law, and that the request of a translation into Spanish, implemented by Spain applying article 65 EPC, simply entails a negative condition subsequent, which if it is not fulfilled, renders the patent ineffective.

Thus, the Supreme Court, in one of the most detailed analysis of the incardination of the EPC within the Spanish legal system to date, reminded first that article 2.2 EPC does indeed state that the European patent shall, in each of the contracting states for which it is granted, have the effect of and be subject to the same conditions as a national patent granted by that state. However, it also stressed that such rule “has an exception which the rule itself contains and consists of the fact that the Convention must not provide otherwise”. According to the Supreme Court:

“One of the aspects of the legal regime of the European patent included in such exception is that ruled by article 64, paragraph 1, of the Convention, when it identifies the day from which the proprietor can make effective the rights conferred to the patent – that is, the same rights as would be conferred by a national patent granted in that State – as the “the date of publication of the mention of its grant” in the European Patent Bulletin.”

And relating to the issue of the translation regime, the Supreme Court expressly indicated that:

“However, the mentioned regulations [referring to articles 65.1 and 65.3 EPC and 7 RD 2424/1986] do not allow to alter the identification that article 64 of the Convention does of the moment of effectiveness of the European Patent in Spain. Correctly understood, what they do is linking the cessation of the effectiveness to the event consisting of not filing the translation within the term provided to do so, by imposing a legal requirement “condictio juris” – formulated negatively, consisting of the lack of timely filing of the translation of the specification into Spanish, having no precedent, but merely subsequent effect”.

In our opinion, two practical issues of importance can be derived for the litigation of European patents in Spain from this landmark judgment. Firstly, and directly arising from the judgment, the initial day for the calculation of the compensation of damages for patent infringement may be taken back, as indeed happened in the concerned case, to the date of publication of the mention of the grant by the EPO, without the additional limitation of having to wait until the publication of the translation of the patent in Spain. This was particularly relevant in the Envac case because, due to the nature of the technology involved, during the first months that lapsed since the invention was known before and after grant, but before the publication of the translation in Spain, the defendant had carried out serious activities of exploitation of the patent.

Secondly, and more generically, it is no longer necessary to wait until the publication of the translation by the EPTO to bring actions based on a European patent against third parties. The patent is effective in Spain, to all effects, from the very date of publication of the mention of the grant in the European Bulletin. From that day, the proprietor may exercise his rights, as long as the translation is subsequently filed within the three-month term, without having to depend on the activities of public authorities. And this rectifies some precedents of first instance courts that had rejected infringement claims for being filed prior to such publication of the Spanish translation of the patent.

Footnotes
2. Art 65.3 EPC: Any contracting state may prescribe that in the event of failure to observe the provisions adopted in accordance with paragraphs 1 and 2, the European patent shall be deemed to be void ab initio in that state. In turn, art. 7 Royal Decree states: When the EPO grants a European patent designating in Spain, the patent proprietor shall provide the Spanish Patents and Trademarks Office with a translation into Spanish of the specification, and it shall do so also in the cases where the patent is modified during opposition proceedings or limited by the EPO. In the absence of translation, the patent shall have no effect in Spain.
3. Please note that in Spain, compensation for patent infringement is limited to damages occurred during the five years prior to the filing of the action.

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