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Locus Standi of co-marketers under Unfair Competition Law does not depend on the infringement of the patent but on the existence of the patent

Miquel Montañá (Clifford Chance) · Thursday, March 7th, 2013

As the readers are well aware, quite often patented products are not necessarily marketed (or only marketed) by the patent owner. It is usual for patent owners to market their products through their subsidiaries and/or through third party co-marketers, which join forces with the former to obtain the best possible distribution of the patented product. This is particularly frequent in the pharmaceutical sector, where “co-marketing” agreements abound.

In this scenario, the potential launch of a competing product that may infringe the patent does not only threaten the patent rights of the patentee, but also the exclusive rights of the co-marketers. Against this background, Eisai Co. Ltd, the owner of patent EP 296,560, filed a patent infringement action against a company that had obtained marketing authorization and price to market donepezil generics. The argument was that obtaining marketing authorization and price well ahead of the expiry date of the SPC that extended the life of the patent was a “threat” of patent infringement. The complaint was filed jointly with the Spanish subsidiary of the patent owner (Eisai Farmacéutica S.A.) and a third party (Pfizer S.A.), which were the only two companies authorized by the patent owner to co-market this product in Spain. However, the actions of the co-marketers were not based on patent infringement but on unfair competition. In particular, they argued that the generic was an unfair imitation of a product that they were exclusively authorized to market (i.e. the reference product) and that the activities of the defendant had blocked the legitimate enjoyment of the rights deriving from the co-marketing agreement. So that the readers may have the full context of the case, it is necessary to clarify that, under the legal regime then in force, once a generic had obtained price, the reference product (i.e. the original product) was automatically included in the so-called “Price Reference System,” even if the generic that had triggered this was not finally marketed.

This is exactly what happened in this case. Although the defendant undertook not to launch the generic until the SPC had expired, their obtaining price caused the Ministry of Health to include donepezil within the “Price Reference System”. The questions raised by the case were: is this a threat of patent infringement against the patent owner? Is this an act of unfair competition against the co-marketers?

In its very interesting judgment of 22 January 2013, the Barcelona Court of Appeal (Section 15) gave a negative answer to the first question, not without highlighting their very serious doubts of fact presented by the case. According to the Court, the fact that the defendant had explicitly

undertaken not to launch their generic until the SPC had expired prevented the Court from finding in this case that obtaining price, per se, was a threat of patent infringement.

Moving to the second question, during the proceedings, the defendant argued that the dismissal of the action based on patent infringement filed by the patent owner should automatically entail the dismissal of the unfair competition actions filed by the co-marketers, since, according to the defendant, the latter were based on the former. In addition, they denied the *locus standi* of the co-marketers, alleging that they were not entitled to obtain, under the Unfair Competition Act, a relief that they would not have been able to obtain under the Patent Act (as they were not patent licensees).

The Court of Appeal disagreed. The Court highlighted that, in the case of the co-marketers, the threat posed by the defendant having obtained price went beyond patent infringement, as it caused the product to be included in the "Price Reference System" without good cause, since the defendant had undertaken not to market the product notwithstanding having obtained price. According to the Court, this had threatened the peaceful enjoyment of the exclusive co-marketing rights deriving from the co-marketing agreement, regardless of whether or not the patent had been infringed. This led the Court to uphold the legal actions based on unfair competition.

So the teaching of this judgment, as the Court put it, is that *locus standi* of co-marketers under unfair competition law does not depend on the *infringement* of the patent, but on the *existence* of the patent.

This entry was posted on Thursday, March 7th, 2013 at 7:48 pm and is filed under Spain
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