

# Danger in the delay and the Mobile World Congress

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The main requirements for applying for a preliminary injunction in Spain are “fumus boni iuris” (i.e., indicia of likelihood of success) and “periculum in mora” (i.e. danger in the delay). A recent decision handed down by the three Barcelona patent Judges (the Judge Rapporteur was the Judge in charge of Commercial Court number 5) has explored the contours of the second requirement, which is enshrined in article 728.1 of the Civil Procedure Act. This article reads as follows:

“Preliminary injunctions will only be granted if the party applying for them justifies that, in the case in question, situations may arise while the proceedings are in progress which, unless the injunctions are adopted, could prevent or hinder the effect of any protection granted in a potential favourable judgment.

Preliminary injunctions will not be granted when the intention is to alter de facto situations consented to by the applicant for a lengthy period, unless it can properly justify why said injunctions were not applied for previously.”

The facts of the case may be summarized as follows:

On 19 February 2016, SISVEL filed an application for an “ex parte” preliminary injunction against ARCHOS requesting the Court - among other measures - to prevent the latter from exhibiting several models of its smartphones (including the new Archos 50d Oxygen) during the Mobile World Congress, which took place in Barcelona on 22-25 February 2016. In the application, SISVEL explained that the exhibition of those models would infringe patents EP 852.885 and EP 1.264.504, which allegedly were “essential” patents. SISVEL explained that it had been negotiating a FRAND royalty with ARCHOS for three years but that the latter had adopted a delaying position during the negotiations. According to SISVEL, the judgment of 16 July of 2015 from the Court of Justice of the European Union (“CJEU”) had clarified the conditions in which owners of “essential” patents may file an application for a preliminary injunction. SISVEL interpreted that this judgment would support the possibility of discontinuing the negotiations and filing an application for an “ex parte” preliminary injunction three days before the start of the MWC.

This view was not shared by the three Barcelona patent Judges who, in a decision handed down on 22 February 2016, refused to proceed “ex parte” and went as far as to accuse SISVEL of having tried to use this “procedural mechanism” as a tool to exert pressure on ARCHOS in the context of the FRAND license negotiations. In particular, the Judges considered that the “danger in the delay” requirement (let alone the even stricter urgency required for “ex parte” preliminary injunctions) was not fulfilled, because SISVEL had been consenting to the use of the technology for three years. The Judges added that even assuming that the judgment of 16 July 2015 of the CJEU would have changed the playing field, SISVEL would still have had more than seven months to apply for a preliminary injunction. Against this background, the Judges concluded that the fact that SISVEL had unilaterally abandoned the negotiations alleging that ARCHOS was using delaying tactics did not entitle SISVEL to change the status quo that it had consented to for a long time. The essence of the Judges’ reasoning was summarised in paragraph 11 of the decision, where they wrote that “The justification of the reasons why the preliminary injunction was not applied for until now cannot be left to the discretion of the applicant, they cannot be subjective. They must be objective and external.”

As a further reflection, the Judges added that taking into account that the remedies that SISVEL would be seeking in a main action would be damages (i.e. a FRAND royalty) and not a prohibition (i.e. a permanent injunction), ordering a preliminary injunction prohibiting the exhibition of the smartphones would not have been proportionate either.

In conclusion, this recent decision will hopefully provide some guidelines to all the stakeholders concerned.