

Barcelona Court of Appeal confirms locus standi of non-exclusive licensees

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A recent judgment of 18 December 2018 from the Barcelona Court of Appeal has partially reversed a judgment of 9 December 2016 from Barcelona Commercial Court number 4, which had rejected the locus standi of a non-exclusive licensee to file a patent infringement action. The facts of the case may be summarised as follows:

A German patentee filed an infringement action jointly with its Spanish subsidiary, which was a non-exclusive licensee, against several Spanish companies. One of the arguments of defence used by the latter was that the Spanish subsidiary lacked locus standi because the requirement established in paragraph 2 of Article 124 of the 1986 Patent Act, then in force, had not been fulfilled. For the readers' benefit, we transcribe below the text of Article 124.2:

"124. (2) A licensee who, according to the provisions of the preceding paragraph [i.e. a non-exclusive licensee], is not entitled to bring an action for infringement of a patent may notari ally request the owner of the patent to commence the relevant legal action. Where the owner refuses to do so or does not bring the appropriate action within a period of three months, the licensee may do so in his own name, annexing the request made. Prior to expiration of the aforementioned period, the licensee, submitting the request referred to above, may request a judge to adopt preventive measures when they are justified in order to avoid serious damage."

In short, the defendants alleged that according to paragraph 2, the Spanish subsidiary should have sent a letter to the German parent company (i.e. the patent holder) requiring the latter to take action, waited for three months, and in the event that within these three months the patentee failed to take action, the non-exclusive licensee would then have been entitled to file patent infringement actions on its own. The lack of locus standi was upheld by the Court of First Instance for considering that although the Spanish subsidiary was litigating hand-in-hand with the patent holder, it had not complied with the requirement set out in Article 124.2.

The finding has now been reversed by the Barcelona Court of Appeal (Section 15), which has highlighted that the objective of that requirement is to prevent non-exclusive licensees from bringing patent infringement actions against third parties without the knowledge and consent of the patent holder. The reasons that have led the Court to reverse the judgment are best encapsulated at paragraph 18:

"18. In the proceedings in question, [...] appears on record as the non-exclusive licensee, and there is no reference in the record of the proceedings to a prior request through a notary having been made. However, such lack of a request does not cause the licensee's lack of locus standi, since the main action was brought by both the registered holders of the patent, as well as by the non-exclusive licensee, and this shows that the patent holder had knowledge of the corresponding court actions being taken and furthermore gave its consent. Therefore, the prior notarial request requirement is unnecessary in the case of litigation actions brought jointly by the patent holder and the non-exclusive licensee. In short, these grounds for the appeal must be upheld, and the judgment must be revoked in relation to this specific point."

Although other Courts had already admitted the locus standi of non-exclusive licensees in similar circumstances, due to the authority of the Barcelona Court of Appeal, this judgment will hopefully prevent in the future the confusion that made inroads into the first instance decision.