

Barcelona Court of Appeal publishes interesting judgment addressing the scope of estoppel

Kluwer Patent Blog
July 11, 2019

Miquel Montañá (Clifford Chance)

Please refer to this post as: Miquel Montañá, 'Barcelona Court of Appeal publishes interesting judgment addressing the scope of estoppel', Kluwer Patent Blog, July 11 2019, <http://patentblog.kluweriplaw.com/2019/07/11/barcelona-court-of-appeal-publishes-interesting-judgment-addressing-the-scope-of-estoppel/>

One of the principles inherited from Roman law is that "*venire contra factum proprium non valet*". In civil law countries such as Spain, this principle is normally labelled as the "doctrine that prohibits acting against one's own acts" (*prohibición de actuar contra los propios actos*). In common law countries, the principle is normally associated with the doctrine of estoppel. As patent aficionados know well, the natural habitat of such doctrine in patent cases is the so-called "file-wrapper" or "patent prosecution" estoppel, whereby the courts of some countries prevent patentees from defending, in the context of infringement, claim constructions that may contradict the positions defended during prosecution to overcome objections of lack of novelty or lack of inventive activity. This was best illustrated by Professor Mario Franzosi many years ago with his famous "Angora cat" metaphor, which was embellished by Lord Justice Jacob in *European Central Bank v DSS* [2008] EWHC Civ 192 to read as follows:

"Professor Mario Franzosi likens a patentee to an Angora cat. When validity is challenged, the patentee says his patent is very small: the cat with its fur smoothed down, cuddly and sleepy. But when the patentee goes on the attack, the fur bristles, the cat is twice the size with teeth bared and eyes ablaze"

The Barcelona Court of Appeal (Section 15) has recently published an interesting judgment of 13 May 2019 where, among other aspects, it had to step into estoppel land, although from a different perspective. The specific point discussed in this context was the following:

Some years ago, the complainant in this case filed an opposition against patent EP 1.081.284 ("EP '284"), alleging lack of inventive activity. The opposition was unsuccessful and the company that had filed the opposition (i.e. the complainant in the case discussed in this blog) then decided to acquire EP '284. Some years later, it filed a patent infringement action against a third party. One of the arguments of defence used by the defendant was that the complainant was blatantly contradicting the position taken before the European Patent Office ("EPO") where, as mentioned, it tried to revoke EP '284 for lack of inventive activity when it was owned by another company. In particular, the defendant alleged that the complainant was acting against the doctrine that prevents one from acting against one's own acts (i.e. estoppel). However, the Barcelona Court of Appeal rejected this argument of defence on the following grounds:

"11. As Mr Humberto explains, document US '404 corresponds to application WO97/08386 cited as D4 by the EPO's Opposition Division when deciding upon the opposition which had been filed paradoxically by the party which is now the claimant. The Opposition Division rejected the opposition filed by SCA. Subsequently SCA acquired the company owning the patent and logically withdrew the appeal it had lodged against such decision. The appellant believes that SCA is acting against its own acts by seeking to maintain the validity of the patent against which it had previously filed an opposition. Hence it seems to understand that such party was not entitled to bring the infringement action that it is in fact bringing, on account of having previously sought a declaration of invalidity of the patent. This argument must be rejected outright, as when SCA filed its opposition it was defending its interests as competitor of the party which at the time was the patent owner, but logically, after acquiring the patent rights, its interests changed.

12. The Supreme Court, in its judgment no. 366/12, of 15 June (ECLI:ES:TS:2012:4178) summarises as follows the legal doctrine on this matter:

<< **The doctrine of one's own acts** has been repeatedly recognised by this Court, dating back to its oldest case law. Nowadays this doctrine falls within the limits of the exercise of the right deriving from the principle of good faith, based ultimately on the protection objectively required by the trust which, with good reason, has been placed in the other person's conduct and the rule or principle of good faith, which imposes the duty of consistency or association with the conduct performed and restricts, therefore, the exercise of the subjective rights which are contrary to the trust generated. (Constitutional Court Judgment dated 21 April 1988). **Consequently, for such association to exist it is necessary for the own acts to be unequivocal and definitive, in the sense of creating, defining, establishing, amending, cancelling or clarifying without any doubts whatsoever a specific legal situation affecting the party which committed them, and for there to be an incompatibility or contradiction which, with respect to good faith, has to be attributed to the preceding conduct** (Supreme Court judgments dated 24 April 2001 , RJ 2001, 2397, 29 November 2005, RJ 2006, 36 and 14 July 2006 , RJ 2006, 6380). In the same way, and based on its own grounds and conceptual autonomy, it should also be borne in mind that for the doctrine of one's own acts to apply, it is not essential for these acts to have formed part of a business transaction, that is, as a mere supplement to the express or tacit statements of business intent, but rather it suffices, as the source of the creation of expectations, to be held liable for the consequences derived from the trust generated >>.

13. As can be seen, the mere fact that a competitor like SCA should have previously challenged the validity of the patent before the EPO, cannot create among its competitors the legitimate expectation that SCA will waive its monopoly and will not bring the actions corresponding thereto as new owner of the patent. Therefore, the fact that the claimant opposes an action seeking the declaration of invalidity which it itself had brought, when the patent was owned by a competitor and when such action had been previously dismissed, cannot be considered contrary to good faith."

All in all, this judgment is yet another example of how, according to Spanish case law, estoppel must be interpreted restrictively. This was already flagged out by the Barcelona Court of Appeal (Section 15) in the landmark Olanzapine judgment of 17 January 2008.