

That utility model is mine!

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One of the remedies typically provided by patent law to persons whose inventions have been unduly patented by third parties are actions aimed at claiming ownership of the patent. However, such actions are relatively rare, at least in countries like Spain. This is what makes the judgment of 10 December 2019 (Judge Rapporteur, Ángel Galgo Peco) from the Madrid Court of Appeal (Section 28), which deals with this type of action, so interesting. The facts of the case can be summarized as follows:

On 31 July 2015 company X filed a complaint against company Y and against one Ms Inmaculada, exercising two different legal actions against them: an action against company Y aimed at claiming the ownership of a utility model and an unfair competition action against Ms Inmaculada. The unfair competition action was based on the allegation that Ms Inmaculada, who appeared to have been a former employee of the complainant, had disclosed information to the defendant that allowed the latter to file the application for the utility model. A judgment from Commercial Court number 8 of Madrid on 30 May 2018 upheld the complaint on both counts.

Company X and Ms Inmaculada filed an appeal before the Madrid Court of Appeal (Section 28), which confirmed the judgment as far as the first limb (claim for ownership of the utility model) but reversed the second limb (unfair competition by Ms Inmaculada). The most interesting aspects of the judgment will be briefly discussed below.

First, one of the arguments used by the defendant in their appeal was that the application for the utility model had been based on information publicly disclosed by the complainant. The Madrid Court of Appeal (Section 28) noted that if that had been the case, it would only confirm that the invention was made by the complainant and not by the defendant. It should be noted in passing that the subject matter of this case was limited to determining ownership of the utility model. Other aspects, such as the novelty or the inventive step of the invention, did not form part of the court debate.

Second, the defendant also argued that at the priority date they had already outsourced to a third party the manufacture of the product that would then be protected by the utility model. However, as noted by the Madrid Court of Appeal (Section 28), a representative from the defendant declared at the trial before the Court of First Instance that they had not been able to put the invention into practice, regardless even of the fact that the defendant was "claiming the moon." This led the Court to conclude that "the application was purely speculative" and that "no invention had taken place" when the application was filed.

Third, in the writ of appeal, the defendant also questioned the legal force as evidence of the affidavits filed by the two individuals who were claiming to be the real inventors, on the grounds that they were employees of the complainant. This objection was rejected by the Court, which noted that the fact that they were employees of the complainants was insufficient, as such, to dismiss their testimony, particularly when their version of the facts was in line with the rest of evidence considered.

Finally, another argument worth mentioning is the doctrine that prevents one from acting "against one's own acts" ("*actos propios*"), a doctrine roughly equivalent to "estoppel." Specifically, the defendant alleged that when the utility model was granted the complainant filed an opposition questioning the novelty and inventive step of the invention, and it was thus contradictory (i.e. contrary to the doctrine that prohibits acting "against one's own acts") to now claim ownership of the utility model. This argument was also rejected by the Court which, in line with the established case law of the Supreme Court, noted that this doctrine had to be applied judiciously and that the conditions for applying it were not fulfilled in this case.

As mentioned, the Court confirmed this part of the judgment. However, it reversed the part of the judgment dealing with unfair competition, as it found that it had not been established that the application for the utility model had been filed relying on information that Ms Inmaculada had allegedly disclosed to the defendant. Also, the Court noted a contradiction between the arguments alleged in the initial complaint and the arguments now put forth in the opposition to the writ of appeal.

All in all, this judgment has made one small step toward tackling a dearth of decisions on claims for ownership of patents or utility models.