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Barcelona Appeal Court sheds some light on the difficult interface between national infringement proceedings and parallel EPO opposition proceedings

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For many years, due to the rigidity of Spanish civil procedure, it was very difficult, if not impossible, to accommodate in national infringement proceedings events that may have taken place in parallel proceedings where the validity of the relevant patent was discussed, namely, opposition proceedings before the European Patent Office (“EPO”). For example, when the patent was revoked in opposition proceedings, the effect on national infringement proceedings was clear: the termination of the proceedings. On the contrary, the effect was far from clear when in opposition proceedings the patent was maintained in amended form.

The new Patents Act that came into force on 1 April 2017 tried to alleviate this anomaly by introducing article 120.4, which reads as follows:

“[...] when, due to supervening circumstances, the patent is modified outside the proceedings, the patentee will be able to request that the patent as modified serve as the basis for the proceedings. In these cases, the Judge or Court must grant the other parties to the proceedings the opportunity to present allegations.”

Although this provision is certainly better than nothing, it left some loose ends. For example, it does not clarify whether or not the Judge or Court must accept that the patent as amended become the basis for the national infringement proceedings.

Against this background, the judgment of 16 October 2020 from the Barcelona Appeal Court (Section 15), which sheds some light on the interpretation of this provision, must be most welcome. The main facts of the case can be summarized as follows:

Corning Optical (“Corning”) filed an infringement action against Huawei based on a European patent. Commercial Court number 4 in Barcelona, in a judgment of 9 April 2018, upheld the infringement action filed by Corning and dismissed the revocation counterclaim filed by Huawei. The latter then filed an appeal to the Barcelona Court of Appeal (Section 15).

Huawei requested the suspension of the appeal procedure until the EPO Board of

Appeal resolved an appeal that was pending against a decision from an Opposition Division that had found the patent to be invalid. Although Spanish courts are normally very reluctant to suspend national infringement proceedings when there is a parallel opposition procedure pending before the EPO, this time, due to the proximity of the date of the hearing of the EPO appeal, the Barcelona Court of Appeal (Section 15) made an exception and suspended the national appeal proceedings. At the end of the oral hearing, the Board of Appeal announced that the patent had been found to be valid in a limited form. In other words, it upheld the validity of one of the sets of claims proposed by the patentee in its auxiliary requests.

In view of this, the defendant (Huawei) requested the Barcelona Court of Appeal (Section 15) to find that the EPO decision had caused a “supervening lack of object” in the Spanish infringement proceedings (i.e. the patent no longer existed with retrospective effect) and, as a result, uphold the appeal against the judgment that had found the claims as granted to be infringed.

Meanwhile, Corning requested that the appeal procedure continue with the amended claims that the EPO Board of Appeal had found to be valid. This request raised a number of interesting legal issues, two of which will be briefly discussed below:

The first issue was the date from which the amended claims were enforceable. Here, the Court made a distinction between Huawei, which had taken part in the opposition proceedings and, therefore, was well-aware of the intricacies of such proceedings, and third parties. In the first case (Huawei), the Court found that the amended claims were enforceable from the time the amended claims were filed in the Spanish infringement proceedings. In relation to third parties, the Court noted that, due to the requirement of the Spanish Patents Act to publish the amended claims in Spanish, the answer was less clear. It suggested several possible answers but, ultimately, it found that, since Huawei was not a third party, it did not need to make a decision on this point. A possibility not mentioned by the Court is of course that the patentee sent a letter of notice to any interested third parties, which would prevent them from alleging that they were not aware of the amended claims.

The second issue was what the effect of the modification of the patent outside the proceedings should be on the fate of the appeal. The Court found that the effect was that the revocation counterclaim filed by Huawei had been rendered “without object” and, therefore, the award of costs derived from the dismissal of the revocation counterclaim by the first instance judgment had to be reversed. The second effect was that, as established in article 120.4 of the Spanish Patents Act, the appeal proceedings would continue taking the patent as amended as the basis for the proceedings. In this regard, to guarantee the right of defence of both parties, the Court decided to improvise a number of rounds of allegations. Corning was provided with an initial term of 20 days to make allegations on infringement and validity and propose any additional evidence. Huawei was then provided with a 20-day term to make allegations in relation to the infringement and validity of the amended claims and propose any additional evidence. Were Huawei to challenge the validity of the amended claims, Corning would then have an additional term of 10 days to defend the validity of the amended claims and propose any additional evidence on validity. The Court would then call the parties to a hearing where any new evidence (for example, experts)

would be heard and the parties would have the opportunity to expose their conclusions orally (closing arguments).

All in all, this very interesting judgment has shed some light that will hopefully ease the difficulties raised by the interface between national infringement proceedings and parallel EPO opposition proceedings. Although the “rounds” solution improvised by the Court was very creative, there is a question mark regarding whether or not the parties were left without one instance to debate the case on the basis of the claims as amended.

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