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European complainants in declaratory non-infringement actions: If you do not have locus standi under your national laws, go to England

Miquel Montañá (Clifford Chance) · Thursday, November 29th, 2012

On 27 November 2012, the Honourable Mr Justice Arnold surprised the European patent community with an unprecedented decision (Actavis Group HF and Eli Lilly & Company; Medis EHF and Eli Lilly & Company) where an English Court accepted jurisdiction to decide a declaratory non-infringement action relating to the UK, German, French, Italian and Spanish part of a European patent. I shall leave it to my dear English colleagues to comment on how likely it is that this decision may stand on appeal. Therefore, I shall limit myself to offer some preliminary thoughts from the perspective of Spain, one of the countries affected by the decision.

If it were to be upheld, the criteria applied in this decision would allow companies to circumvent the procedural requirements established by each country's national law as a condition to admit declaratory non-infringement actions. For example, Article 127 of the Spanish Patent Act requires the prospective complainant to send a notice letter requiring the patentee to confirm within one month whether or not it considers that the activities carried out by the company sending the letter, or the effective and serious preparations made, infringe the patent. If after 1 month the patentee has not replied, or it has replied stating that such activities would infringe the patent, then the third party gains locus standi to file the declaratory non-infringement action.

To be clear, under Spanish law the only company that would have locus standi to file a declaratory non-infringement action would be the precise company that carried out the precise acts or serious and effective preparations in relation to which the declaration of non-infringement is sought. Interestingly, the Spanish subsidiary of Actavis, the company that would carry out such activities, was not even a party before the English Court. In addition, if the transcription of the letter sent by Actavis' lawyers inserted in paragraph 7 of the English decision is correct, it would turn out that Actavis did not even ask Eli Lilly to position itself with respect to the Spanish part of the European patent at hand. According to paragraph 7 of the decision, the relevant paragraph of that letter would have read as follows: "Acatvis is aware of the Patent. We should be grateful if you would treat this letter as relating to the national designations of EP 1 313 508 B1 in Germany (DE60127970 (T2)), France (EP 1 313 508 B1), Italy (ES2284660 (T3), and the United Kingdom". As the reader will have noticed, Spain was not on the map, although there is a possibility that

either the judgment or Actavis' letter may contain an error, as Italy does not quite fit with a patent number starting with "ES".

More importantly, if Actavis' lawyers were correct in that "for the avoidance of doubt and given other relevant constraints, Actavis is not planning an imminent launch of such a product…", most likely they would not have had locus standi to file a declaratory non-infringement action before Spanish Courts. This is because our Courts have interpreted the "serious and effective preparations" as a required pre-condition for admitting declaratory non-infringement actions to mean that the third party must be able to carry out such activities imminently.

So the message from this judgment is clear: European complainants in declaratory non-infringement actions, if you do not have locus standi under your national laws, go to England.

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