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Recent judgment from Court of Appeal of Navarre illustrates that launching at risk can be a painful gardening experience

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Many readers, particularly those based on one of the islands to the Northwest of the *Canal de La Manche*, will remember the famous metaphor used by then Justice Robin Jacob in his Decision of 23 October de 2001 (paroxetine):

"*The defendants could, so soon as they settled upon the product they were intending to sell, have caused the litigation to start. They could have done a number of things: First, they could have launched a petition for the revocation of the patent and started a claim for a declaration of non-infringement. Or, since there are certain difficulties with the latter (for example onus of proof goes the other way round), they could simply have said to the patentees, "We intend (we are not saying when but it is a settled intention) to launch our product within the next five years. If you intend to sue us, sue us now". If they had taken such a course, having settled upon the product they intended to sell, the whole of this dispute would have been got out of the way before their date of intended launch.*

I see no question of principle involved here of any sort. It is purely commercial common sense. If there may be an obstacle in your way, clear it out. To my mind, this is a case where the retention of the status quo is a rational thing to do. It was something that could have been avoided by the defendants; they chose not to do it."

The teaching of the decision was very clear: before entering the garden, you had better cleared the way.

Last Wednesday the Court of Appeal of Navarre published a judgment dated 29 December 2014 that illustrates the risks of entering a garden without having cleared the way. The judgment relates to a patent dispute that started in 2009, when two manufacturers of generic medicaments filed a revocation action based on a lack of inventive activity against a patent owned by Eli Lilly that protected the use of raloxifene for the preparation of a medicament for the treatment of osteoporosis. On 31 July 2012, Commercial Court number 1 in Pamplona handed down a judgment declaring the nullity of the patent.

For the readers' benefit, it should be clarified that article 525 of the Spanish Civil Procedure Act specifically prohibits the provisional enforcement of judgments which declare the nullity of an intellectual property title. Notwithstanding this, the complainants decided to launch at risk without waiting for the judgment to become final. Although the patent owner filed an application for a

preliminary injunction aimed at trying to prevent the launch, this was rejected by Commercial Court number 1 in Pamplona. As a result, the two generic companies obtained rapid penetration in the market of raloxifene, causing multimillion-euro damage to the two licensees that were marketing the original product in Spain.

Against this background, the Court of Appeal of Navarre has now handed down the aforementioned judgment of 29 December 2014, which has revoked the first instance judgment. Interestingly, one of the grounds of the judgment is that the experts who wrote the technical opinions used by the complainants to challenge the inventive activity of the invention were not experts in the technical field of the invention. The Court of Appeal seems to have asked itself, quite rightly, how two alleged experts who were not actually experts in the technical field of the invention could assist the Court.

All in all, taking into account that this judgment has left the two companies that launched at risk exposed to a possible multimillion-euro claim, the teaching from this judgment, if it becomes final, will be that launching at risk without having cleared the way, may end up being a pretty painful gardening experience.

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