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Spanish Supreme Court interprets Article 70.7 of TRIPS

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During the past decade, Spanish courts have debated the impact of the TRIPS Agreement ("TRIPS") on patents the applications of which were filed before 7 October 1992, that is, before Spain's Reservation under Article 167 of the European Patent Convention ("EPC") expired. According to this Reservation, European patents would not have any effects in Spain, insofar as they protected chemical or pharmaceutical products as such.

When TRIPS came into force in 1995, the then Director General of the Spanish Patent and Trademark Office ("SPTO") took the view that TRIPS would not have any impact on applications filed before 7 October 1992. In particular, he rejected to apply Article 70.7 of TRIPS, which states that "7. In the case of intellectual property rights for which protection is conditional upon registration, applications for protection which are pending on the date of application of this Agreement for the member in question shall be permitted to be amended to claim any enhanced protection provided under the provisions of this Agreement. Such amendments shall not include new matter."

However, his successor, in 1997, took a different view after consulting with the European Commission, the General Secretariat of the World Trade Organization ("WTO"), and the leading experts of the Spanish Government on WTO matters. In particular, in April 1997, the SPTO approved a decision accepting the modification of process patents that were pending when TRIPS came into force to claim chemical and pharmaceutical products as such. However, this important agreement was not published anywhere.

In a recent judgment of 20 October 2017, the Spanish Supreme Court (Civil Chamber) has confirmed that Article 70.7 of TRIPS allows owners of patents filed before 7 October 1992 that were pending when TRIPS came into force to amend the patent to claim chemical and pharmaceutical products as such. However, according to the Court, this right of amendment could only be used insofar as a decision on the grant of the patent had not yet been taken. This latter restriction is questionable, as it was not included in Article 70.7 of TRIPS. And Article 1.3 of the Decision of the Administrative Council of 28 June 2001 on the transitional provisions under Article 7 of the Act revising the European Patent Convention of 29 November 2000 shows that when the parties to TRIPS (which included the vast majority of the parties to the EPC) intend to insert this type of restriction in an international treaty, they do so explicitly. In the absence of an explicit restriction, "reading" an "implicit" restriction in a provision that confers a legal right does not seem to be warranted ("*ubi lex non distinguit, nec nos distinguere debemus*").

On a more positive note, this judgment has confirmed that in its judgment of 18 July 2013 (“Daiichi”) and in its Rulings of 30 January 2014 (“Warner-Lambert”) the Court of Justice of the European Union (“CJEU”) did not interpret Article 70.7 of TRIPS and that, therefore, the Spanish case law on this article has not been affected. Although it may sound trite that in those judgments the CJEU could not have interpreted an Article (70.7 of TRIPS), the citation of which it omitted with three dots (“[…]”), some lower level courts had taken a different view that the Supreme Court has now corrected.

All in all, this judgment does not seem to have brought justice to applicants that were not able to amend their patents before they were granted because they were actually granted before April 1997, when the SPTO started to accept the modification of patents following Article 70.7 of TRIPS.

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