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Barcelona Appeal Court clarifies damages period that may be claimed

Miquel Montañá (Clifford Chance) · Thursday, October 20th, 2022

As readers are well aware, Directive 2004/48 EC (known as the "Enforcement Directive"), stemming from Part III of the TRIPS Agreement, was meant to introduce a minimum level of intellectual property protection throughout the European Union. For example, article 13 establishes that Member States must guarantee that judicial authorities can order the party found to infringe an intellectual property right ("IPR") to pay damages appropriate to the actual prejudice suffered:

> "*1. Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him as a result of the infringement.*
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> *When the judicial authorities set the damages:*
>
> > *a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement;*
> >
> > *or*
> >
> > *b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.*
>
> *Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, Member States may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established*."

In spite of the Enforcement Directive's harmonisation efforts, the Spanish Patents Act, on the one hand, and the Spanish Trademarks and Design Acts, on the other, do not provide a symmetric damages regime. For example, article 45.2 of the Trademarks Act contains a 5 year-limitation:

> "*2. Compensation for damages may only be sought in relation to the acts of infringement taking place in the five years prior to the date on which the corresponding action is*

brought.“

Article 71.2 of the 1986 Patents Act contained a similar limitation. However, when the new 2015 Patents Act was approved, this limitation was no longer retained.

Against this background, on 30 March 2022, the Barcelona Appeal Court handed down an interesting judgment clarifying further that the 5-year limitation no longer applies in patent cases. In the matter at hand, the infringer had alleged that, since the complaint had been filed in October 2018, the patentee would allegedly be able to claim damages only from October 2013. The Court rejected this line of argument in paragraph 76 of the judgment, noting that the non-inclusion of the 5-year limitation was not an oversight by the legislator, as shown by the legislative process and the opinion of scholars.

All in all, it is now crystal clear that the 5-year limitation does not apply in patent cases. What is less clear is whether the 5-year limitation still contained in the Spanish Trademarks and Design Acts is actually in line with the minimum level of damages required by article 13 of the Enforcement Directive.

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