

Gamesa v Aloys Wobben, 15th Section of the Provincial Court of Appeals of Barcelona, Spain, 7 January 2016, Docket No. 443/2014-2^a

On 14 January 2016, Section 15th of the Provincial Court of Appeals of Barcelona served its decision of 7 January in the GAMESA v. WOB BEN case.

This is a very interesting Judgement not only for involving probably the largest award of damages ever granted by any Spanish Court for patent infringement (€ 7.7 million +interest), but mostly for the decisive interpretation of the scope of protection of the patent and the underlying technical problem as the starting point to solve the exposed contradictions between the interpretation of the patent for infringement and validity.

The dispute between GAMESA and Mr. Aloys WOB BEN (founder of the German Wind Company ENERCON Group) started over six years ago and concerned the alleged infringement and validity of WOB BEN'S European Patent EP 0 847 496 for "Storm Control" technology regarding the operation of wind turbines in high wind conditions (including offshore windmills). WOB BEN also started parallel infringement litigations in Germany and the UK against SIEMENS and its customers, which reached different results.

In the first instance, GAMESA initially brought legal proceedings against Mr. WOB BEN seeking revocation of the patent EP 496 on the grounds of lack of novelty, lack of inventive step and added matter, basing its case strongly on a novelty-destroying disclosure of the patent by a prior Japanese patent. In response, WOB BEN independently sued GAMESA for patent infringement alleging that GAMESA was already implementing WOB BEN's windmill technology in its turbines, using to that effect evidence provided by independent expert technicians at a raid (*Saisie-like Diligencias de Comprobación de Hechos* confidential Procedure provided by the Spanish Law to find out evidence of suspected infringement of patents for which there is no other way for obtaining evidence than performing raids with Court experts and without the intervention of the applicant) carried out at several of GAMESA's sites and wind farms, which found that GAMESA's turbines applied a method as protected by the claims of the patent at high wind speeds.

After lengthy litigation, which was eventually joined before Commercial Court No. 6 of Barcelona (so before implementation of the Special Agreement of the Spanish Judiciary concentrating patent cases with Commercial Courts 1, 4 and 5, in 2011), and after hearing several experts,

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the Court ruled against GAMESA at the end of 2013, dismissing the challenges to the patent's validity, declaring it infringed, and granting Mr. WOB BEN an injunction as well as close to € 7.5 million (plus accrued interest) in damages.

Both parties appealed the Judgement of Commercial Court No. 6 of Barcelona in early 2014 before the Court of Appeals of Barcelona, GAMESA to overturn the finding of infringement, including a subsidiary petition to declare the invalidity of the patent for lack of inventive step and further subsidiary petitions to reduce the award of damages, and Mr. WOB BEN seeking an increase of that award.

On 7 January 2016 the Court of Appeals of Barcelona issued the decision of the panel of Section 15th, in which Hon. Judge Magistrate Ribelles Arellano was the rapporteur, revoking the Judgement of the Court of first instance and dismissing Mr. WOB BEN's complaint for patent infringement, without entering into studying the nullity of the patent which had been invoked as a subsidiary petition by GAMESA.

Unfortunately, since it did not need it to reach its decision, the Court of Appeals did neither enter into considering the very interesting questions raised in appeal by GAMESA and Mr. WOB BEN regarding the scope and limits to the award of damages (damages claimed to different players in a distribution chain). In this regard we must note that a change in the Spanish Appeal procedure would be highly desirable to obtain a decision on all counts brought before the Courts (like in some close jurisdictions), both to improve our Case Law and to limit the scope of revision of Higher Courts because if this Judgment is eventually subject to a Cassation Appeal before the Supreme Court, and this revokes the decision of the Court of Appeals, it would have to study those subsidiary counts for the first time, thus depriving the parties from an effective instance.

As commented above, what we find most interesting in this case, apart from the large award of damages now revoked, are the clear teachings by the Court of Appeals of Barcelona on the need to interpret the scope of protection of the patent claims in view of the technical problem solved by the invention in a consistent manner both to assess the validity of the patent and its infringement.

Actually the Court of Appeals expressly states (Sixth Legal Ground) that:

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“...We deem it convenient to start the analysis of the appeal setting out the scope of protection of the challenged patent and which is the technical problem which it intends to solve. The construction of the claims and determination of their scope of protection is essential both for the assessment of its validity and to elucidate whether there was an infringement or not.”

The position of GAMESA on appeal, shared by the Court of Appeals, was to highlight the inherent contradiction in the First Instance judgement in that regard, rather than insisting on the invalidity of the patent, based on a subsidiary argument used in the first instance.

In its appeal, GAMESA alleged that the Commercial Court had followed Mr. WOBHEN's limited interpretation of the patent claims in order support the novelty and inventive step of the patent in comparison with the prior art references, which was nonetheless left aside when construing the patent claims afterwards for infringement, which was simply ratified on the basis of the evidence provided at a raid where the independent experts did not consider the validity of the patent but just restricted their role to a very limited assessment of the fulfillment of the features of the claims, without considering their scope in view of the description.

Thus, GAMESA alleged that the Commercial Court had maintained the validity of the patent claims considering as the essential characteristic of the invention the fact that the wind turbines continued operating when a extreme wind speed is reached, reducing their power and speed but never disconnecting and solving the problem of the so-called “reconnection hysteresis” (the loss of potential energy arising from the need to wait, after disconnection at a maximum wind speed, for the wind speed to lower down to a certain level before reconnecting).

All cited prior art references, where the reduction of power and speed were known, related to embodiments for turbines which eventually disconnected at a certain extreme speed and merely postponed but did not solve the hysteresis problem. This, which had been previously pointed out by the EPO's Opposition Division when it dealt with an opposition filed by VESTAS against the granting of the patent –as pointed out by the Court of Appeals–, was used by Mr. WOBHEN and endorsed by the Commercial Court of the first instance, to disregard that prior art when asserting the validity of the patent, despite the fact that such lack of disconnection or solving the hysteresis was not present in the claims but derived from the description.

On the other hand, however, when it came to analyze the patent infringement, the Commercial Court left aside that construction of the patent and considered that GAMESA's windmill turbines implemented the patented process even though they did shut down when a maximum wind speed was reached in order to avoid overloads, and still therefore did not solve the hysteresis problem.

GAMESA denounced this asymmetric evaluation of the scope of the patent, and asserted an alternative argument: GAMESA's embodiments did not solve the technical problem of the patent, for they eventually disconnected, but if it was found the patent comprised GAMESA's embodiments, then the patent should not be considered valid on the basis of the prior art disclosing embodiments which eventually also disconnected.

In its decision of 7 January 2016, the Provincial Court of Appeals of Barcelona pointed out to that contradiction, further to GAMESA's appeal and solved the contradiction by dismissing the infringement (Thirteenth Legal Ground, page 22):

"In summary, given that, as we have explained, the scope of protection of the patent only extends to those wind turbines which continue working without interruption and avoid any disconnection, thus solving with that the problem of the connection/disconnection hysteresis, we find that GAMESA's embodiments do not infringe the patent. They disconnect at a wind speed which is defined as "cutting speed" and show the same hysteresis problem, albeit at a higher speed. Moreover, such cutting speed (25 m/s), is comprised within the parameters that have been commonly considered as usual, that is, as a usual overload speed advising disconnection.

*It is inconsistent that the judgment states that the "purpose of the patent **does not lie in the cutting or interruption** of the service of the wind turbine", after the wind reaches a critical speed, but "in continuing the operation of the wind turbine, that is, not stopping it but keeping on generating power with it according to requirements of the claims". Likewise it is also contradictory to hold, when analyzing the validity of the patent, that it departs from the prior art because it avoids any disconnection and also, on the contrary, that the existence of a cutting speed in GAMESA's wind turbines does not exclude infringement."*

This led the Court to grant the appeal, revoke the first instance ruling and entirely dismiss the claim for infringement.

Bearing in mind that this Judgement is coming from the renowned *Sección Quince* of the *Audiencia Provincial de Barcelona*, which is the Spanish Court with the longest-standing specialization in Intellectual Property litigation and very well regarded and followed by most IP practitioners, this would be undoubtedly a very relevant decision in the patent litigation landscape in Spain, drawing the attention to the need to make a consistent interpretation of the scope of protection of the patent both for validity and infringement, bearing in mind not only the literal wording of the claims but also the specific technical problem claimed to be solved by the invention and the whole description of the patent.