ES – LICONSA v. BOEHRINGER / Court of Appeals of Barcelona, 29 March 2019, Docket No. 1076/2017 / Request for limitation of a patent before the Spanish Patent & Trademark Office (SPTO) during judicial proceedings

In a decision dated 29 March 2019, the Court of Appeals of Barcelona made clear that, since the entry into force of the new Spanish Patent Act 24/2015 in April 2017, if a patentee intends to file a request for limitation of its patent before the Spanish Patent and Trademark Office (SPTO) during ongoing invalidity judicial proceedings, it is mandatory to seek permission from the Court handling the case.

The plaintiff, LABORATORIOS LICONSA S.A. (hereinafter, "LICONSA"), filed an invalidity claim before Barcelona Commercial Courts against patent EP 1379220, validated in Spain as ES 2236590 (ES 590), owned by BOEHRINGER INGELHEIM PHARMA GMBH (hereinafter, "BOEHRINGER"), for lack of novelty and inventive step.

In reply and by way of counterclaim, BOEHRINGER filed a request for limitation of patent ES 590 in accordance with Article 138.3 of the European Patent Convention (EPC): *"(3) In proceedings before the competent court or authority relating to the validity of the European patent, the proprietor of the patent shall have the right to limit the patent by amending the claims. The patent as thus limited shall form the basis for the proceedings"*.

In reply to this counterclaim –according to which BOEHRINGER intended to limit the patent before the Spanish Courts–, LICONSA filed a brief of defence alleging that the patent as limited was invalid for lack of inventive step, lack of clarity and added subject-matter.

The court of first instance, in a Judgment dated 20 February 2017, declared that patent ES 590 "*had no effect with respect to the claims as originally granted*", following the request for limitation filed by BOEHRINGER before the Court by way of counterclaim. Then, regarding patent ES 590 as limited, the Judgment found that it was invalid for containing added subject-matter and, in a subsidiary manner, for lack of inventive step.

BOEHRINGER filed an appeal against this first instance Judgment. The case was assigned to the Court of Appeals of Barcelona.

In this context, pending the appeal proceedings before the Court of Appeals of Barcelona, BOEHRINGER filed a request for limitation of patent ES 590 before the Spanish Patent and Trademark Office (SPTO). Following this request, the SPTO granted a new amended version of the patent. This new amended version of the patent was published in the Official IP Gazette on 5 March 2018.

Given these new circumstances, BOEHRINGER alleged that patent ES 590 as originally granted had ceased to have *ex tunc* effects. In consequence, BOEHRINGER requested the Court to terminate proceedings for lack of cause.

However, the Court of Appeals of Barcelona denied this request for termination of the proceedings in a Resolution dated 15 October 2018. In essence, the Court considered that BOEHRINGER failed to request the mandatory authorization that had to be given by the Court to file a request for limitation before the SPTO when there are ongoing judicial proceedings, as provided for by Article 105.4 of the Spanish Patent Act: *"(4) If judicial proceedings on the validity of the patent are pending and without prejudice to the provisions of article 120, the request for limitation, addressed to the Spanish Patent and Trademark Office, must be authorized by the Judge or Court that handles the proceedings"*.

Faced with this scenario, BOEHRINGER alleged that Article 105.4 was not applicable in the present case because this Article was not yet in force at the time of filing of LICONSA's invalidity claim; indeed, LICONSA's invalidity claim was filed when the former Spanish Patent Act no. 11/1986 was still in force, which did not foresee the need to seek authorization from the Court to file a request for limitation of the patent before the SPTO during ongoing judicial proceedings. However, neither the former Spanish Patent Act no. 11/1986 envisaged the possibility of filing a request for limitation of a patent before the SPTO (this possibility did not exist in Spain before April 2017, with the entry into force of the new Spanish Patent Act 24/2015), and yet BOEHRINGER made use of that faculty, in accordance with the new law 24/2015. To justify this, BOEHRINGER alleged that the right to limit the patent before the SPTO was applicable in the present case in accordance with the Second Transitory Provision which provides that the title of the new Law relating to the "invalidity, revocation and expiration of the patent" (where the rules on the limitation of the patent are contained) was applicable to the inventions requested when the former Law 11/1986 was still in force.

However, the Court did not accept this argument. The Court considered that BOEHRINGER could not claim the application of the new law 24/2015 for one thing (the right to limit the patent before the SPTO) but not the other (the obligation to request authorization from the Court), so all the rules contained in the new law 24/2015 regarding patent limitation were fully applicable, including Article 105.4.

In addition, BOEHRINGER also sought to justify its position by claiming the application of Article 43.2 of the Implementation Regulation of the Spanish Patent Act, which reads as follows: *"(2) If, after initiating a limitation procedure, a judicial procedure on the validity of the patent is notified and registered in the Patent Registry, the Spanish Patent and Trademark Office shall notify the Judge or Court of the existence of the pending limitation procedure, if appropriate"*.

According to BOEHRINGER, it was the SPTO's duty to inform the Court about the request for limitation of patent ES 590.

However, the Court also rejected this argument by clarifying that Article 43.2 only states that the SPTO will inform the Court "if appropriate" and only in case the "judicial procedure on the validity of the patent is notified and registered in the Patent Registry". In the present case, the judicial procedure had not been registered in the Patent Registry because, as explained above, the former Law 11/1986 did not envisaged the possibility to limit the patent before the SPTO.

As a consequence, the Court of Appeals of Barcelona decided not to examine the patent as limited, despite it being published in the Official IP Gazette, thus deciding not to recognize the effects of patent ES 590 as limited because it had been requested without the mandatory authorization from the Court.

Therefore, the Court decided to examine the patent as originally granted (as requested by LICONSA, both in first instance and appeal proceedings) and to analyse, in the framework of the same appeal proceedings, the admissibility of the request for limitation filed by BOEHRINGER by way of counterclaim.

In its decision of 29 March 2019, the Court of Appeals upheld the first instance Judgment. The Court concluded that patent ES 590 was invalid and rejected the request for limitation filed by BOEHRINGER. Additionally, the Court ordered the cancellation in the Patent Registry of the patent as limited before the SPTO.

Thus, with this decision, the Court of Appeals of Barcelona made clear that while the new Spanish Patent Act foresees the possibility of filing a request for limitation of the patent before the SPTO, if there are ongoing judicial proceedings this request must be authorised by the Court, as provided for by Article 105.4 of the Spanish Patent Act. Otherwise, the request for limitation before the SPTO would render judicial proceedings devoid of purpose. Furthermore, the mandatory authorization from the Court would be also justified by the purpose of preserving the rights of the parties in case the subject-matter of the proceedings is modified in the course of the procedure.