

Commercial Courts of Barcelona (Patents Section) CAPSA v BLUESPACE & EMBAMAT, Judgment of 16 January 2023, Main Proceedings 1346/2018 and 534/2019, ECLI:ES:JMB:2023:145

In this interesting decision, the Patents Section of the Barcelona Commercial Courts addressed two key procedural issues that are often encountered in patent infringement proceedings: the legal standing of parent holding companies and the application of the estoppel rule of Article 400 of the Spanish Code of Civil Procedure, that generally prevents the plaintiff from bringing new facts or grounds to the proceedings that were known or could have been known at the time the claim was first filed.

Background

On 13 November 2018, the plaintiff EMBALAJES CAPSA SL (hereinafter, “CAPSA”), a packaging solutions provider, filed patent infringement proceedings before the Barcelona Courts against the following five defendant companies: Blue Self Storage S.L.U., Trasters Self Storage S.L.U., City Self Storage S.L.U., Fremont-Bluespace S.L.U., and Embamat UE S.L. In the claim, CAPSA invoked four Spanish patents: ES 2 320 074, ES 2 408 157, ES 2 642 272 and ES 2 580 130, relating to a particular system used for closing storage boxes.

The first four defendants, Blue Self Storage S.L.U., Trasters Self Storage S.L.U., City Self Storage S.L.U. and Fremont-Bluespace S.L.U., belong to the same business group, BLUESPACE, the leading self-storage operator in Spain.

The fifth one, EMBAMAT, replaced CAPSA as BLUESPACE’s supplier of storage boxes, once the relationship between CAPSA and EMBAMAT had ended.

As explained in the decision, plaintiff CAPSA had been BLUESPACE’s supplier of storage boxes since 2008. However, in November 2017, BLUESPACE decided to terminate its business relationship with CAPSA, with effect as from January 1, 2018. Since CAPSA’s stock of boxes ran out, BLUESPACE began to introduce into the market new storage boxes supplied by EMBAMAT.

From the evidence submitted during the proceedings, the Court concluded that after the relationship between CAPSA and BLUESPACE had ended, EMBAMAT supplied BLUESPACE with two types of storage boxes: the first storage box model was introduced into the market in June 2018 (“storage boxes

1”) and the second one as from October 2018 (“storage boxes 2”). According to CAPSA, although storage boxes 1 and 2 were different, both models infringed CAPSA’s patent rights.

In the claim filed by CAPSA on 13 November 2018, only storage boxes 1 were included (proceedings 1346/2018). Storage boxes number 2 were the subject of a subsequent claim filed by CAPSA on 13 March 2019 (proceedings 534/2019). Both proceedings 1346/2018 and 534/2019 were joined into the same proceedings at a later date.

In reply to CAPSA’s patent infringement actions, the defendants BLUESPACE and EMBAMAT filed a counterclaim for patent invalidity. But before entering into the merits of the claim, the Court addressed two relevant procedural questions, as explained below.

1. Legal standing or liability for patent infringement acts of parent holding companies

It was alleged by the defendants that Fremont-Bluespace S.L.U, the holding company of the BLUESPACE group, lacked legal standing to be sued for patent infringement, as it did not engage in any commercial activity regarding the storage boxes that were the subject of the patent infringement claim.

However, the Court dismissed this allegation on the grounds that, in the case at stake, the following facts had been proven:

- Fremont-Bluespace S.L. owned 100% of the shares of the other three co-defendant subsidiary companies (Blue Self Storage S.L.U., Trasters Self Storage S.L.U., City Self Storage S.L.U.),
- These three subsidiaries provided consolidated accounts with Fremont-Bluespace S.L., and,
- All of them had a common website (www.bluespace.es) in which the storage boxes were offered.

Therefore, the Court considered that the holding company, Fremont-Bluespace S.L.U, could also be held liable for the patent infringement.

In reaching this conclusion, the Court referred to the CJEU’s Judgment of 27 April 2017, C-516/15 Akzo Nobel NV:

52 By contrast, according to the settled case-law of the Court, the unlawful conduct of a subsidiary may be attributed to the parent company in particular where, although having a separate legal personality, that subsidiary does not determine independently its own conduct on the market, but essentially carries out the instructions given to it by the parent company, having regard especially to the economic, organisational and legal links between those two

legal entities (see, to that effect, judgments of 14 July 1972, *Imperial Chemical Industries v Commission*, 48/69, EU:C:1972:70, paragraphs 131 to 133; of 25 October 1983, *AEG-Telefunken v Commission*, 107/82, EU:C:1983:293, paragraphs 49 to 53; of 11 July 2013, *Team Relocations and Others v Commission*, C-444/11 P, not published, EU:C:2013:464, paragraph 157; and of 17 September 2015, *Total v Commission*, C-597/13 P, EU:C:2015:613, paragraph 35).

53 That is the case because, in such a situation, the parent company and its subsidiary form a single economic unit and therefore form a single undertaking for the purposes of EU competition law (judgment of 11 July 2013, *Team Relocations and Others v Commission*, C-444/11 P, not published, EU:C:2013:464, paragraph 157).

54 On that aspect, in the particular case in which a parent company holds all or almost all of the capital in a subsidiary which has committed an infringement of the EU competition rules, there is a rebuttable presumption that that parent company actually exercises a decisive influence over its subsidiary (see, to that effect, judgment of 26 November 2013, *Groupe Gascogne v Commission*, EU:C:2013:770, paragraph 38).

2. The estoppel rule under Spanish Law preventing the plaintiff from invoking new facts or grounds that were known or could have been known at the time the claim was filed

Spanish civil procedural law provides for an estoppel rule included in Article 400 of the Code of Civil Procedure, according to which the plaintiff is tasked with the burden of raising all legal grounds and arguments that are known or may be invoked at the time the claim is filed. If it fails to do so, i.e., if said grounds and arguments are deferred by the plaintiff for later proceedings, *lis pendens* and *res judicata* effects will generally apply:

Article 400. Final deadline for the allegation of facts and legal grounds.

1. When what is requested in the claim may be based on several facts or on different legal grounds, the claim must include all those which are known or may be invoked when the claim is lodged, and it is not admissible to reserve an allegation for subsequent proceedings.

The burden of the allegation referred to in the preceding paragraph shall be understood notwithstanding any additional allegations or new facts or news permitted under this Act at times subsequent to the claim and the defence.

2. In accordance with the provisions in the preceding paragraph, for the purposes of *lis pendens* and *res judicata*, the legal facts and the grounds put forward in a lawsuit shall be considered to be the same as those alleged in previous proceedings, if this was possible.

In the case at stake, as explained above, plaintiff CAPSA filed its claim before the Barcelona Courts in November 2018, alleging the infringement of storage boxes number 1, which had been launched into the market in June 2018. However, CAPSA did not include storage boxes number 2 in this first claim, which had been launched a month before the filing of the claim, in October 2018.

Consequently, defendant BLUESPACE argued that the estoppel rule of Article 400 should apply with respect to the second claim as filed by CAPSA in March 2019. This infringement claim was based on the same patents and was directed at storage boxes number 2, a new and also different model of EMBAMAT storage boxes.

However, the Court considered that faced with the dilemma of whether to preserve the fundamental right to effective judicial protection versus the application of the estoppel rule of Article 400 –conceived, as stated by the Court, for the purpose of avoiding several proceedings being brought based on the same petitions that could have been brought within the same claim–, the *pro actione* principle should prevail, according to which the Courts should prevent a disproportionate or unjustified application of procedural rules from restricting access to justice.

Conclusion

Two main conclusions can be drawn from this Judgment: On the one hand, it clarifies that under certain circumstances, it might be possible for parent holding companies to be held liable for patent infringement acts, even if they not engaged in any specific commercial activity. It must be proven, for example, whether the parent company holds all or most of the capital of the subsidiaries that have committed the patent infringement, and whether it exercises in this regard a decisive influence over them, or whether the parent company and its subsidiaries are perceived as a single economic unit offering the alleged infringing products in the market.

On the other hand, a greater degree of flexibility is shown in the application of the estoppel rule of Article 400 of the Spanish Code of Civil Procedure. In certain cases (to be assessed by the Courts on a case-by-case basis), the right to effective judicial protection might prevail over this procedural rule, allowing the plaintiff—as was the case here— to file two separate patent infringement claims against the same defendants based on the same patents and against different products that were launched at different points in time, even though all the products could have been subject to the same initial complaint.