

## **ES – Graf v. Kaban & Daser / Barcelona Commercial Court, 9 November 2018, Docket No. 1275/2018 / Patent infringement at trade fairs**

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In a decision dated 9 November 2018, Barcelona Commercial Court No. 5 clarified the *prima facie* case and *periculum in mora* requirements needed for the granting of precautionary measures in the context of trade fairs.

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The plaintiff, GRAF SYNERGY S.R.L. (hereinafter, "GRAF"), is the holder of European patent EP 2.822.751 (hereinafter, "EP 751") validated in Spain as ES 2.616.786, which protects a device for welding profiled elements in plastic material, in particular PVC, used mainly in window frames and doors.

Fearing that the companies KABAN MAKINA LTD. STI (hereinafter, "KABAN") and DASER GLOBAL S.L.U. (hereinafter, "DASER") were going to exhibit an allegedly infringing welding machine at VETECO (International Trade Show Window, Facade and Sun Protection Systems), a trade fair scheduled to take place in Madrid in November 2018, GRAF filed before the Barcelona Patent Courts an *ex parte* request for precautionary measures, asking the Court to order the defendants not to exhibit that allegedly infringing machine at the fair.

Firstly, in order to prove the appearance of good right or *prima facie case* (i.e., the existence of infringement), GRAF filed an expert report analyzing patent infringement in a video published by DASER on LinkedIn showing the machine's features. However, the Court considered that this video was not enough to prove infringement because for the analysis of patent infringement, it is necessary to carry out a technical comparison between the claims of the patent and the allegedly infringing product. According to the Court, such an analysis could not be carried out based on a video, and even less so for the purposes of granting *ex parte* precautionary measures at a trade fair, where the risk of imminent infringement requires a high standard of proof since the adoption of precautionary measures at a trade fair implies a severe restriction of the defendant company's commercial activity.

Therefore, the Court considered that there was not enough evidence to conclude that the defendant's machine infringed GRAF's patent.

Secondly, with regard to the *periculum in mora* requirement, the Court pointed out that in the context of trade fairs it is necessary to analyze the following factors: how far in advance the plaintiff knew

about the alleged infringement; whether or not the plaintiff consented to the alleged infringement and for how long; if there were or had existed previous negotiations between the parties for the granting of licenses, as well as each party's approach to such negotiations; if the trade fair was being used as an excuse to force any such negotiations already in progress, to harass a competitor or simply to discredit him. In short, the Court considered that in this context, it was important to analyze the good faith, diligence and loyalty of the parties, and to examine whether or not the plaintiff had artificially created an *ad hoc* danger in delay situation.

In this case, when ruling if the *periculum in mora*, or danger in delay, requirement had been met, the Court took note that back in 2014 KABAN was already selling a machine similar to the one at issue. At that time, after receiving a cease & desist letter from GRAF requesting KABAN to cease the manufacturing and commercialization of that machine because it infringed GRAF's patent EP 751, KABAN indeed stopped manufacturing it. However, contrary that prior occasion, in the present case GRAF filed the request for *ex parte* precautionary measures without having previously attempted an extrajudicial settlement with the defendant, as it did in 2014 and to which KABAN responded positively. Thus, the Court concluded that GRAF's behavior did not comply with normal due diligence and good faith in judicial proceedings.

Furthermore, the Court considered that in the present case an *ex parte* request for precautionary measures was not the appropriate channel for GRAF's request. In light of the expert opinion provided, it was noted that the plaintiff could have used the Preliminary Verification of Facts mechanism (Article 123 and following of the Spanish Patent Law), which would have made it possible to prove the existence of infringement by carrying out an inspection of the machine.

In this sense, the Court pointed out that within the framework of trade fairs, the applicant must differentiate between two different situations when there is suspicion of patent infringement by a competitor:

- On the one hand, those cases in which the plaintiff has prior knowledge of the infringement, because the allegedly infringing product is already in the market or because it can be easily obtained and, therefore, it is easy for an expert to verify the existence of patent infringement,
- On the other hand, those situations in which, before a trade fair, the plaintiff knows that competitors will be in attendance and will exhibit products which it reasonably suspects could fall within the scope of its patent. These types of products are launched at these fairs for the first time –as innovations or evolutions of a previous product– and are not yet available in the market. In these cases, it is difficult to verify actual signs of infringement prior to the event, so such a verification can be carried out on the same days as the fair, either with or without judicial intervention.

In the first situation, a request for precautionary measures seems to be the most adequate option, while in the second case a Preliminary Verification of Facts request would be the most appropriate course of action.

Therefore, in the present case, GRAF's *ex parte* preliminary injunction request was rejected because the Court considered that the *prima facie case* and *periculum in mora* requirements were not met. It further pointed out that GRAF should have filed a Preliminary Verification of Facts request that would have allowed it to carry out an inspection of the machine before the beginning of the trade fair, whereby an expert could have verified whether or not the defendant's welding machine infringed GRAF's patent EP 751.

