

## **ES – Corning v. Huawei / Court of Appeals of Barcelona, 29 May 2019, Docket No. 1686/2018 / Stay of national proceedings until the issuance of a final decision by the EPO**

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On 29 May 2019, the Court of Appeals of Barcelona handed down a pioneering patent ruling in Spain, according to which, in interpretation of Article 42 of the Spanish Code of Civil Procedure, the national judge has the faculty to declare, in view of the circumstances of the case, the possibility of suspending national proceedings pending the outcome of EPO appeal proceedings.

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Since the introduction of the EPC, the reality of parallel national and EPO proceedings has caused difficulties. To date, no decision of the Spanish Courts had agreed to stay national infringement and/or invalidity proceedings of a European patent pending appeal proceedings before the European Patent Office (EPO). In these situations, the suspension of the proceedings did not seem to be an option for Spanish Courts.

In the past, the Court Appeals of Barcelona rejected the possibility of suspending the proceedings because the patent was subject to an opposition before the Opposition Division of the EPO. This was the case of a Resolution dated 30 October 1995, in which the Court of Appeals of Barcelona overturned the decision of the judge of first instance who had decided to stay infringement proceedings due to a pending procedure before the EPO. In that case, the Court considered that the suspension was only appropriate in those cases in which the Law expressly provided it. However, there was no legal channel for the suspension of the proceedings in a situation such as that described. The Court considered that pending proceedings before the EPO Opposition Division were not equivalent to a pre-judicial civil question. A pre-judicial question is defined as that which arises in a civil case the resolution of which is a logical antecedent of the issue involved therein, and the cognizance of which pertains to another Civil Court.

Then the Law changed and the new Code of Civil Procedure of 2000 brought a complete change regarding pre-judicial matters, establishing four categories of pre-judicial questions: pre-judicial Civil, Criminal, Contentious-Administrative and Labour questions (the four Spanish jurisdictional divisions).

But the problem with pending proceedings before the EPO was that they could not be considered as a pre-judicial civil question as the Opposition Division or the Board of Appeals are not Civil Courts.

Consequently, the only option would be to consider those EPO bodies as equivalent to Contentious-Administrative Courts and to apply the rules concerning Contentious-Administrative pre-judicial questions.

In this sense, Article 42 of the Spanish Code of Civil Procedure establishes that:

**Article 42. Non-criminal pre-judicial matters.**

1. For merely pre-judicial purposes, the civil courts may examine matters attributed to the contentious-administrative and social courts.
  
2. The decisions of civil courts on the matters referred to in the preceding paragraph shall have no effect outside the proceedings in which they are issued.
  
3. The provisions of the preceding paragraphs notwithstanding, if required by law or requested by the parties in mutual agreement or by one of the parties with the consent of the other, the Court Clerk shall stay the execution of the procedures prior to passing judgement until the pre-judicial questions has been resolved by the competent public administration, the Court of Auditors or the Courts of the corresponding jurisdictional level, as appropriate. In this case, the Civil Court shall be bound by the decision of the said bodies in relation to the pre-judicial matter.

The general rule is that Civil Courts can resolve matters belonging to Contentious-Administrative Courts to the mere pre-judicial effects (Article 42.1). If that is not possible, the Court has to stay the proceedings if required by law or agreed by the parties (Article 42.3).

This decision dated 29 May 2019 is the first decision in Spain which considered the possibility to apply the regime of pre-judicial Contentious-Administrative questions to patent proceedings.

In the present case, there were pending appeal proceedings before the Court of Appeals of Barcelona regarding infringement and invalidity of an European patent while the decision to grant the patent was subject to an appeal before the Board of Appeals. The Opposition Division had agreed to maintain the patent in an amended form.

HUAWEI (the appellant in both national and EPO appeal proceedings) had filed a request for accelerated processing before the Board of Appeals who agreed to this request and informed the parties that oral proceedings were intended to be issued before the end of 2019.

In view of the above, HUAWEI requested the Court of Appeals of Barcelona to stay the proceedings until a decision was issued by the EPO Board of Appeals. HUAWEI's application was based on the existence of a pre-judicial Contentious-Administrative question. It requested to stay proceedings in

accordance with Article 42 of the Spanish Code of Civil Procedure which as we have already seen gives the Court the possibility to stay proceedings under certain circumstances.

Therefore, the question was whether or not pending proceedings before the Board of Appeals could be considered equivalent to Contentious-Administrative proceedings and, if so, whether the Court had the faculty to stay the proceedings until the issuance of a final decision by the EPO.

In this sense, the Court pointed out that *“the wording of the article [Article 42] is confusing since on the one hand it allows the courts to deal with issues related to other jurisdictional orders, if appropriate (paragraph 1), it is an option that is left in the hands of the court, but nevertheless this possibility of suspending the proceedings seems to be finally left in the hands of the parties (paragraph 3)”*.

Then, the Court added that: **“the decision on whether or not to suspend the proceedings in cases of administrative pre-trial matters should be left to the court, in view of the circumstances of the case”**.

In other words, the Court interpreted Article 42 of the Spanish Code of Civil Procedure in the sense that in the absence of a rule laid down by law or mutual agreement by the parties, the decision to suspend or not the proceedings should be left to the discretion of the court.

Therefore, the Court, analysed the specific circumstances of the case and reached the conclusion that the case should be stayed. The factors that led the Court to take that decision were the following:

- The patent subject to the Court proceedings was the patent as originally granted. The plaintiff did not pursue a limitation of the claims of the patent in response to the invalidity counterclaim.
- The Opposition Division decision maintained the patent in an amended form.
- If the patent was finally rejected or granted in an amended form, the Spanish proceedings would be automatically finished dismissing the infringement claim.
- The length of time likely to be taken before completion of the proceedings before the Board of Appeals. It was very important the fact that the Board of Appeals decided to accelerate processing of its appeal.

In view of these special circumstances, the Court of Appeals of Barcelona decided to suspend the proceedings until a final resolution on the grant of the patent by the EPO was issued.

Upon appeal for reversal filed before this same Court of Appeals of Barcelona, the decision of 29 May 2019 granting the suspension of national proceedings was later confirmed by a decision dated 25 July 2019.

This is a landmark decision in patent matters in Spain, which aligns Spanish courts to the rest of European jurisdictions (for example: Belgium, France, The Netherlands, Italy, United Kingdom) that have already declared this discretionary power of the judges to decide, in view of the circumstances of the case, the suspension of national proceedings due to pending EPO proceedings.

