

LA OPINIÓN

● INTELLECTUAL PROPERTY
● COPYRIGHT
● INFORMATION TECHNOLOGIES

● ADVERTISING LAW
● COMPETITION LAW

Herrero & Asociados once again consolidates its international renown



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This year again, we are proud and pleased that our firm, which celebrated its 30th anniversary in 2012, is ranked among the most prominent IP firms in the best-known international directories.

Managing Intellectual Property ranks Herrero & Asociados first for trade marks and second for patents.

At **Legal 500** we share Tier 2 with prestigious international firms, and our people's professionalism is highlighted, with special mention of Jesús González in Patents, Ángeles Moreno in Trade Marks and José Luis López as the head of Litigation.

Chambers & Partners also includes our company among the top IP firms in Spain, accentuating the professional profiles of our lawyers Juan Casulá and Mariano Santos.

Legal Experts EMEA, in turn, recognises José Luis López' and Paz Martín's work.

Year after year, Herrero & Asociados demonstrates that it has one of the most versatile and highly qualified professional teams of the country, with over 150 experts pursuing excellence when serving our discerning clients.





Drawing the line for copycat restaurants: the case of Tommy Mel's

In the world of theme restaurants, the line between lawful and unlawful imitation may be very thin. This time, we were asked to act for TOMMY MEL'S, an American style diner restaurant chain, in an action for unfair competition by another diner type restaurant chain, PEGGY SUE'S.

The PEGGY SUE'S restaurant chain sued TOMMY MEL'S on the ground that these restaurants copied all characteristic diner or 50's theme features of their own. The legal discussion basically revolved about considering whether the use of similar elements specific to and defining a theme restaurant (in this case an American style 50's diner) may be considered unlawful.

In our view, there is no imitation where the use of those decorative elements is based on the chosen theme proper: in other words, there are typical and topical elements that cannot be monopolised by a specific firm and, in addition, differences could be observed among those elements applied by both parties which allowed the existence of imitation to be ruled out.

Let us imagine ourselves in the role of a restaurant business person who decides to establish a theme restaurant chain: an American style diner, an Asian restaurant or a Basque tavern. Any average consumer will quickly picture in his or her mind a number of characteristic features specific to each of these restaurants: this is what is referred to as "look & feel" in the English-speaking world and has one identify at a glance whether one is in a Chinese restaurant or an Irish pub. However, what headroom does a businessman have to make his "chain" different from compet-

ing outlets? That headroom will be whatever is allowed by the theme itself, selecting typical but not identical features making him distinct from his competitors, although he will at the same time have to provide it with distinctive character in order for his business to be unique: the brand is of the essence in this area.

In the case in hand, PEGGY SUE'S considered that TOMMY MEL'S copied its restaurants and quite simply argued that similar elements were being used which we held, however, on behalf of TOMMY MEL'S, are the typical elements of the so-called diner style theme: coloured boot chairs, black and white chequered patterns, pastel colours, steel tables and stools, juke boxes, pin-ups or 50's waitress, etc. Despite using these elements, TOMMY MEL'S chose specific and noticeably different ones which have made this restaurant chain unique.

The Judgment of 28th September 2012 entered by Commercial Court no. 1 of Madrid dismisses the complaint because it fails to see the existence of imitation (which according to settled case law of the Supreme Court must be restrictively construed) or the taking of unfair advantage of another's reputation, holding that TOMMY MEL'S has its own distinctive features that



The Peggy Sue's Restaurant



The Tommy Mel's Restaurant

make confusion unlikely. In addition, the Judgment has it that "imitation boosts competition and thus allows innovation quality to be improved and/or prices to be reduced".

This Judgment is one of very few entered by our Courts on the subject of imitation restaurants. In matters of this kind, the specific event has to be analysed in detail

because the existence of unlawful imitation is also a possibility as in the case of PRET A MANGER VS. DELINAS, where the Provincial Court of Appeal of Madrid found that there was imitation because even the smallest details of the characteristic and original features of UK restaurants PRET A MANGER had been copied by DELINAS.

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TRADE MARKS Case Law

Protecting trade marks with a reputation beyond the principle of speciality

In a judgment dated 23rd July 2012, the Supreme Court ruled as to the criteria required by case law to decide whether a trade mark has "a reputation in the Community".

Now then, in that regard, the key to having a reputation lies in whether the mark is distinct among the public concerned by the goods and services covered by such trade mark and by the relevant sectors. It is not essential for proof to be produced of economic value associated with a trade mark having a reputation on the basis of the quality of its goods or the trade mark image.

In the case in hand, the Hermanos Maristas (Marist Brothers) brought in their complaint a number of trade mark actions arguing infringement of their trade mark because the defendant (a well-known Spanish construction company that had built 148 residential properties in an Alicante neighbourhood under the name "Residencial Maristas"), was using their distinctive sign "Maristas". The Appellate Court denied that

the trade mark "Maristas" had a reputation due to the failure to prove qualitative elements, i.e. because whereas the trade mark was well known, it did not meet the qualitative requirement of a trade mark having a reputation or there was no connotation of quality in the educational services provided by the Hermanos Maristas.

The Supreme Court quashed the Appellate Court's judgment on the ground that in order to be able to claim that a trade mark with a reputation exists:

"there need be no requirement for a trade mark, in order to be deemed to have a "reputation", to not only be well known to a relevant part of the public concerned but to be applied to services or goods of a high quality or for the trade mark to convey a positive image relying on heavy investment in advertising. ...

What is essential is for the trade mark to be known to a relevant part of the public concerned, regardless of whether that may be determined based on

the meeting of quantitative criteria and/or qualitative criteria.

The judgment then analyses how a trade mark with a reputation or a well-known trade mark should be construed in accordance with EU Law and concludes, after analysing the case law, that there is no need for the conduct by the third party using the trade mark with a reputation to be considered unfair. **It is sufficient for there to be a detriment to the repute or distinctive character of the trade mark.**

In addition, contrary to the Appellate Court's ruling, the Supreme Court holds that the Hermanos Maristas could suffer both dilution of the distinctive value of the trade mark due to a "dispersal of the trade mark identity and its presence in the public's mind" and a detriment to its reputation due to an association of the third party's activity with the institution owning the trade mark. "The risk of that detriment may, in particular, lie in the goods or services offered by the third party having a feature or quality that may adversely affect the trade mark image".

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This year, in which we celebrated our 30th anniversary, it is a pleasure to share with you the recognition we have again received from international legal directories, which thanks to the feedback from our clients and collaborators, who consistently recommend our competence, maintain us among the first-ranked in Spain in the field of Intellectual Property.

This issue of La Opinión acquaints you with several aspects of legal proceedings in Spain that affect intellectual property in general but have special interest for the pharmaceutical sector, where the defence of these rights is of such great importance. As an alternative to court proceedings there is the option to seek mediation for IP conflict resolution, a possibility that is becoming increasingly popular. We explain why it is quick and effective.

Also in this issue you will read about the moral rights involved in copyright, in an article about a remarkable judgement by the Spanish Supreme Court, which illustrates how the limitations of this type of rights are interpreted. Lastly, we discuss a noticeable judgment in one of the very few cases of restaurant imitation that have been processed by Spanish courts. H&A has had the privilege of representing foreign clients in two of the most emblematic disputes in this subject matter, both of which have been handled by means of unfair competition actions.

We hope you find the topics covered in this issue interesting and have an enjoyable read. Your opinion is welcome. Please send your email to noticias@herrero.es.



COPYRIGHT

Case Law

The moral rights of authors and public spaces

1. Unlike Industrial Property, where an inventor's moral rights may be relegated to being referred to as such on the patent application, authors' moral rights in Copyright are characterised as "premium category" rights.

2. These rights, which are limited in number, cannot be waived or disposed of and the strictly personal exercise of such rights is proof of how intimate and non-severable the bond between an author and his or her work is. However, as with any rights, they are subject to limits. The limits of the right "to the integrity of the work" have been dealt with by the Supreme Court in a judgment dated 18th January 2013.

3. The case is summarily about a Town Council, in this case of the town of Amorebieta-Etxano, commissioning a sculptor, Andrés Nagel, one of the Basque country's leading international sculptors, to make a bronze sculpture designed, so it was specifically agreed, to be located at a specific site. Subsequently, the Town Council invited tenders to renovate the town centre, requiring removal of the sculpture from its original location, prompting the sculptor to sue the Town Council on the ground that his moral rights to the integrity of the work meant that the site for which the work was created could not be changed.

4. The Supreme Court's reasoning therefore lies in determining whether the sculptor's moral rights to integrity prevent a change of the location of his sculptural work and whether it is such an absolute right that, in the event of dispute, it prevails over any other right or legitimate interest and may actually cover demanding that it be destroyed.

5. The Supreme Court has it that, being a work conceived and carried out

by its author for the physical stand to be placed at a specific location - "site-specific work" - a change of site may be detrimental to its integrity in that it may alter or interfere with the communication process embodied by any work of art, modifying the communicative codes, distorting the messages conveyed and the feelings, emotions, thoughts and reflections it stirs in those who perceive it. At the same time, however, the Court notes that "changing the surroundings in a work conceived to be displayed at a specific site or in an exact, predetermined position, need not be characterised in all cases as a change that is truly and actually detrimental to the spiritual integrity of the work, where altering the context which serves as a key to interpreting the observable part does not significantly interfere with the three-way dialogue between the author, the work and the public".

6. Having highlighted the need to reconcile the proprietor's rights over the physical body of the work, and the author's rights to the intellectual creation, and bringing to mind that any ownership rights, whether to a tangible or an intangible asset, fulfil a social function in accordance with the

provisions of article 33 of the Constitution, the Supreme Court concludes that the appellant's right to the integrity of the work, laid down in article 14.4 of the Consolidation of the Copyright Act, extends to tutelage over the location of the work at the site for which it was specifically created.

The answer to the demand that an order be issued that the work may under no circumstances be taken to another site is however altogether different. The time is therefore appropriate to deal with the limits to the "rights to the integrity of the work". The Supreme Court explains that "where the work is created to be displayed in a public space, the author must be aware, from the outset, that it is to be used for social purposes and that it is to be integrated in the city and become a part of the planning arrangements and that the limited ownership rights of the proprietor of the stand are subject to the obligation to enforce the interests of the public at large which sometimes allows tangible assets to be expropriated and may at other times, without prejudice to the right in due course to receive compensation based on conventional criteria on moral damages, require moral rights to be sacrificed to a greater or lesser extent - planning changes,



alterations to physical features or surrounding landscape, etc. and even symbolological reason".

7. The above limits are also subject to those deriving from the cultural function of works forming part of the community heritage the interests of which must also be taken into account.

8. Therefore, although the powers comprised in authors' moral rights are strictly personal and are wrought into the actual legal text of the Copyright Act as rights that cannot be waived and disposed of, they are also subject

to limits, indeed more so where the work is created to be displayed in a public space. However, a "sacrifice" of author's moral rights for the benefit of public interests, which has already featured prominently in other high-profile cases, not only such as the case of the change which the Town Council of Bilbao had to make to architect Calatrava's Zubi Zuri bridge, connecting a footbridge which was part of the so-called "Isozaki Atea" site, will naturally trigger a proper compensatory payment if the classic requirements for moral damages are met.

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TRADE MARKS

Case Law

Unfair competition and/or trade mark infringement?

We are often faced with cases in which we have to join actions under the Trade Marks and Unfair Competition Acts, or at least weigh up whether that strategy is feasible.

A judgment of the Supreme Court dated 17th October 2012 provides a number of guidelines to deal with this frequent "confusion".

It is actually the case that acts branded unlawful by unfair competition and trade marks laws may have similar features. Indeed, unfair competition law has used concepts arising in the field of trade marks - in particular, the various forms of the likelihood of confusion, or the taking of unfair advantage of another's reputation-. Similarly, the actions available to the aggrieved party under both laws have a similar content in certain cases.

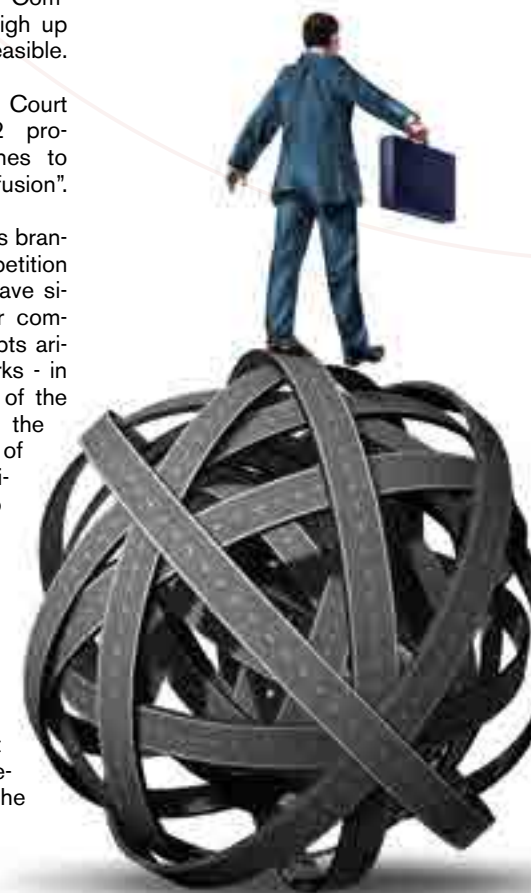
It is therefore hardly surprising that issues should be raised as to the possibility of both laws concurring and, if so, as to whether that concurrence has to be resolved excluding one or the

other or, on the contrary, accepting it cumulatively or alternatively.

The first step in resolving that issue is to understand that the respective laws have different goals. Trade mark law protects a subjective right to an intangible asset, of a real albeit special nature, effective "erga omnes", peculiar to that type of property right. Such protection is conditional - as a rule, although there are exceptions - on prior registration, as opposed to use - provided that revocation is not declared.

In short, in systems with official registration, trade mark law confers protection on the proprietor of the sign if it is registered - also prior to that time, but with a limited and provisional scope - and in any event whether or not the trade mark goods or services have been put on the market. Additionally, such law protects the sign - substantially - as registered, not as used.

Conversely, the aim of unfair competition law is not to protect the right to a trade mark but to ensure that the market works properly. In other words, it is intended as a legal instrument to duly arrange market practices. The beneficiary of





the protection given is not therefore the trade proprietor mark as such, but all those participating in the market and the market itself.

Accordingly, for example, the likelihood of confusion in trade marks is determined - as a rule - comparing the sign as registered and the infringing use because, as explained above, what is protected is a subjective right deriving from the grant and to the extent limited thereby.

The beneficiary of the protection given is not therefore the trade proprietor mark as such, but all those participating in the market and the market itself.

Unfair competition, however, requires a comparison of signs as used. Moreover, being as it is that the aim is to protect how the market works and prevent consumers from being misled, the aggrieved party's sign

must be sufficiently well established in order that it may be deemed to have generated value judgments among users resulting in confusion or the taking of unfair advantage.

In conclusion, whether one law or another or both at the same time should be applied will depend on the claimant's petitions and the facts on which they are based, and on proof being produced that the prerequisites are met in order for the respective conducts to be ruled to be infringements under one such law or both at the same time.

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PATENTS

Case Law

Protection of pharmaceutical product patents in Spain The judgment of the first chamber of the supreme court of 5/12/2012

1.- Regulatory framework and how it affects a pharmaceutical patent's product claims

Patent laws in Spain have in most recent history been laid down in two regulatory texts: the old Industrial Property Statute (now repealed) and the Patents Act 1986, the pillar for the interpretation of which is the Convention on the Grant of European Patents of 1973, to which Spain is a party.

In addition to the above regulatory framework, reference must be made, based on nearness in time, to the TRIPS Agreement, an international treaty which our country is also adhered to since 1994 and which is therefore part of Spain's legal system.

a) While the aforementioned Industrial Property Statute was in force, pharmaceutical products could not be registered as patents, but inventions on the processes to obtain pharmaceutical products could.

b) No such restriction was however in place under the European Patent

Convention.

c) Upon Spain's accession to the EEC, the Kingdom of Spain agreed to adjust to the provisions of the European Patent Convention which, as aforesaid, disallowed any prohibition on the registration of pharmaceutical product patents.

d) However, when the Spanish Patents Act was approved in the year 1986, paragraph 1 of its Transitional Provision One did not take that consideration into account and a reservation was included whereby the registration of chemical and pharmaceutical product patents was prohibited at least before 7.10.1992. That date was thereafter variously extended de facto without any legislation being passed.

e) Needless to say, Spanish lawmakers also took this prohibition into account when it came to validating European Patents in Spain, in the sense that, despite the fact that whereas the European Patent Office was able to grant patents with pharmaceutical process product and claims, in Spain they had to be broken down and the process only was validated.

It is well-known that in order for the validation of a European patent to be

effective in the desired State, there is an obligation to submit a translation of the patent into the language of that country to the national patent office.

However, upon the entry into force of the TRIPS agreement, which Spain is a party to as afore-mentioned, this rule suffered an about-turn.

From a case-law perspective, the ECJ interpreted the rules, in judgments of 11.9.2007 and 14.12.2000, in the sense that, if the TRIPS agreement had been signed by the Community and by its Member States, its contents would be part of the EU legal system. However, it distinguished between:

a) Fields in which the Community had not yet legislated.

b) And fields in which Community laws were already in place.

According to a Supreme Court Judgment dated 10.5.2011, the subjective rights in and to a European patent that

has already been granted fall under a) above.

Consequently, since the TRIPS agreement is part of the Spanish legal system, and that is so regardless of what the national Patents Act provides for, the holders of European Patents whose pharmaceutical product claims could not be validated in our country until that date could obtain a recognition that those product claims were effective while the patent was in force (i.e. until the 20-year term after their application or priority date was over).

Having said that, the Spanish Patent and Trade Mark Office is accepting a review of the translations of patents resulting from their claims being sheared under the previous rule in order to extend their scope of protection to pharmaceutical product claims.

2.- Action for damages under a Spanish pharmaceutical patent derived from a European patent granted for product and process claims

Judgment of the Civil Chamber of the Supreme Court of 5.12.2012

On the subject now of settled case law established by a recent Judgment of the Civil Chamber of the Supreme Court dated 5.12.2012, the case at issue focussed not only on whether the claimant's title to a Spanish pharmaceutical product and process patent would be sufficient to prevent a third party from having to stop marketing a product that complied with the product claims, but whether in addition the holder was entitled to receive compensation for the unlawful use of its patent by such third party. It should be borne in mind that the Patent enforced had already entered into the public domain because the aforementioned 20-year period had elapsed.

The answer was in the affirmative.

The Supreme Court, however, refused to be governed by the criterion called upon by the claimant in the claim (the profit made by the defendant on the sale of its infringing product) for the damages payable.

Taking into account that the application of the TRIPS agreement had actually allowed an infringement of the product claims to have occurred, the Chamber found that:

a) The time for which damages were payable had to be comprised between the date of publication in the Official Industrial Property Bulletin of the revision of the initial translation of the European patent to adapt it to the product and process claims and the date on which the term of validity of the Patent had expired.

b) And that the compensation could not be that sought by the claimant but what in terms of article 70.4 of the TRIPS Agreements refers to as "equitable remuneration", which is not the same thing as damages.

Therefore, the Supreme Court held that the claimant could only be awarded that "equitable remuneration", which it held was a more equitable solution than what the claimant was seeking. And the simplest translation it found in Spanish laws to be able to define it was the so-called "hypothetical royalty", i.e. an amount consisting of the consideration which the defendant (now ruled an offender) should have paid to the proprietors of the patent in exchange for the grant of a licence which would have enabled it to exploit the product lawfully during the aforementioned period, for which provision is also made in the national Law (article 66.2.b) Patents Act).

Naturally, that compensation was to be settled when the judgment was enforced, meaning that the claimant still had to overcome a new hur-

Upon Spain's accession to the EEC, the Kingdom of Spain agreed to adjust to the provisions of the European Patent Convention



dle, namely proving what that price should be if it was not in the habit as a pharmaceutical company of granting licences on its patent rights to third parties.

If we tie this criterion to that already applied in other decisions, such as the Judgment of the Provincial Court

of Appeal of Madrid dated 9.3.2012 and the Judgment of the Provincial Court of Appeal of Alicante (Community Court), although this was not about trade marks, it would be a matter of compiling documentary evidence with which to convince the Judge in the lower court (responsible for enforcing the

judgment) of the percentage of the turnover that should govern in the pharmaceutical field for licences to be granted.

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TRADE MARKS

Authority

Mediation in the field of intellectual property

Mediation is an out-of-court dispute resolution instrument and is a means for resolving disagreements in which the parties -with the assistance of a mediator- attempt by themselves to reach an agreement. Once the agreement arrived at between the parties is recorded in a public deed, it is enforceable.

Mediation is intended to provide a quick, confidential, inexpensive, flexible, efficient and alternative solution to court proceedings which are currently characterised by being slow, formalistic and costly.

In Europe, in the year 2008 the Community was decidedly intent upon encouraging mediation as an alternative and efficient means for resolving cross-border disputes in civil and commercial matters. The result of this was Directive 2008/52 of the European Parliament and of the Council of 21st May 2008, which laid down minimum criteria which the States had to transpose to their laws.

The Spanish State's obligation to transpose the Directive ended on 21st May 2011, which is why it had to be adapted in the form of a Royal Decree, and so Royal Decree-Act 5/2012, 5th March, on mediation in civil and commercial matters was adopted, currently Act 5/2012, 6th July, published in the Official State Gazette (BOE) of 7th July, although

Spain has a general law on the subject. This Act applies to mediation in civil and commercial matters, including cross-border disputes, in relation to rights on which the parties are able to decide themselves, provided that at least one party is domiciled in Spain and mediation takes place within Spanish territory.

Other types of mediation, such as in connection with Criminal matters, Public Administrations, Employment and Consumer affairs, have their own legal national and regional framework.

Therefore, this Act applies in intellectual property disputes provided that they are not of a criminal nature or do not relate to matters with respect to which the parties are not free to decide themselves, and their application to cases of invalidity of patents, trade marks, etc. is unclear. Accordingly, mediation shall have to be borne in mind when drawing up agreements, including submission clauses.

Mediation is intended to provide a quick, confidential, inexpensive, flexible, efficient and alternative solution to court proceedings which are currently characterised by being slow and costly

Mediators play an essential role in that they must assist the parties in reaching an agreement, proposing solutions, bridging gaps, albeit without imposing any decision not agreed upon by the parties, and ensuring that the procedure is not biased. A relevant aspect to be borne in mind is that the parties may choose the mediator and therefore in practice it will be of foremost importance for the

mediator to be skilled in the subject of the matter, as in the case of matters relating to intellectual property.

The effectiveness of mediation lies in the enforceability of the agreement arrived at once it is set down in a public deed, such agreement being as powerful as a final court judgment.

Generally, the mediation process consists of an application filed with the mediation institution or the mediator and the parties being summoned to an informative meeting, and thereafter as many meetings as may be required are held with both parties together or separately. The aim shall be for the number of meetings to be as few as possible and within the shortest possible space of time. The process shall end, inter alia, upon an agreement being arrived at or it may conclude without an agreement. In order for the Agreement to be enforceable it shall have to be recorded in a public deed. Only an action for invalidity may be lodged against the provi-



sions of the mediation agreement based on grounds for invalidating contracts. The mediation model is based on the parties' willingness and ability to decide themselves and it is the parties who control the process at all times, determining the steps to be taken therein.

The main differences between mediation and arbitration are firstly that the mediator brings the parties together but, unlike an arbitrator, makes no decisions. Secondly, the outcome in arbitration is determined with reference to the applicable law, whereas the outcome in the case of mediation is determined with reference to the parties' wishes which take commercial interests into account. Mediation ends with an agreement between the parties, not so with an award imposed by the arbitrator. Mediation proceedings are more flexible because they are not made subject to compliance with formalities and time deadlines.

Mediation may be especially appropriate and useful in registration proceedings, cases of infringement -patents, trade marks, designs, plant varieties inter alia-, licence agreements, technology transfer, joint ownership of rights, franchise agreements, research and development agreements, distribution and agency agreements, rights assignment agreements, publishing agreements, productions, software, advertising agreements and matters relating to these intellectual property rights.

Therefore, mediation may be a useful tool for the resolution in one procedure of disputes over rights affecting several countries, allowing the parties to avoid having to resort to several jurisdictions with uncertain and in some cases conflicting results.

Supra-nationally, back in 1994 the World Intellectual Property Organisation (WIPO) based in Geneva set up the "Arbitration and Mediation Centre" for dispute resolution in these matters, in particular with reference to domain names.

In our national trade mark laws, article 28 of Trade Marks Act 17/2001, 7th December, includes arbitration as a possibility in connection with trade mark registration disputes, although no reference is made to mediation. No express reference is included either in Patents and Utility Models Act 11/1986, 20th March, or in Legal Protection of Industrial Designs Act 20/2003, 7th July.

The controversial "Sinde Act" makes provision for mediation as a dispute resolution means within the field of the copyright before the Copyright Committee.

Recently, the Office for Harmonisation in the Internal Market (OHIM) has itself set up its own Mediation Service as an alternative to Appeals (although it may be applied to other Decisions in the future) in matters relating to trade marks and Community drawings and designs. As a general rule, mediation takes place in Alicante.

At home, on 10th October last, the General Council of the Judiciary (CGPJ) and the Higher Board of Chambers of Commerce signed a cooperation agreement whereby the Commercial and First Instance Courts could choose to refer to the Chambers of Commerce matters which might conceivably be resolved through commercial and civil mediation. Additionally, professional associations such as in particular Bar Associations play a major role as mediation institutions.

The advantages of mediation as an alternative tool to court proceedings are clear bearing in mind that mediation interrupts statutes of limitation and expirations, it is a voluntary, swift, flexible and confidential procedure which takes commercial interests into account, and ensures that the parties' wishes prevail at all times. It is characterised in that the parties stand on an equal footing, the mediator is neutral and all the information and documentation submitted for the proceedings are confidential.

Not only is mediation an alternative solution, but it may at times be used prior or in addition to court and arbitration proceedings, namely in cases where no agreement may be arrived at or circumstances advise court proceedings to be commenced.

Neighbouring countries in which mediation has been working for years now have revealed that a great many disputes are resolved using this tool, taking certain types of disputes from the courts and thereby reducing the workload and the delay of ordinary courts. In Spain, we shall have to wait for a reasonable amount of time to elapse before assessing how successful and efficient it is.

Bearing in mind the above, it is especially important to be able to rely on specialist advice in industrial property, copyright, new technologies, unfair competition and advertising such as the advice offered by Herrero & Asociados in relation to mediation matters, procedures and methods.

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AUSTRIA AND GERMANY JOIN TMVIEW

The registered trade marks from the Austrian Patent Office and the German Patent and Trade Mark Office were added on 13th November 2012 to the TMview search tool, which allows free access to applications and registrations from a number of important trade mark offices.

This expansion has now taken the number of offices which have made their trade marks available to TMview to 23 in all. In addition to Austria and Germany, the following have now joined TMview: Benelux, Bulgaria, Denmark, Slovakia, Slovenia, Spain, Estonia, Finland, France, Hungary, Italy, Latvia, Lithuania, Malta, Portugal, United Kingdom, Czech Republic, Romania, Sweden, WIPO and OHIM. With the addition of approximately 184,000 Austrian trade marks and more than 1.6 million German trade marks, TMview currently offers access to more than 9.1 million trade marks.

TMview started operating on 13th April 2010 and has proved a hit among users. Since being set up, it has received more than 910,000 visits from 185 countries, particularly users from Spain, Germany and Italy.



PATENTS

Authority

First marketing of a product as a pre-requisite for payment of damages for infringing an industrial property right

Market players who receive a notice from the holder of an industrial property right which they are deemed to have infringed often fail to understand why they should be liable for the damages and losses they may have caused by things done before learning of the existence of that right.

They cannot understand why they must, before starting out on a business activity, investigate whether they would thereby be infringing an industrial property right.

This is a logical question because industrial property rights databases always play it safe and advise whoever searches those databases that they will accept no liability if the industrial property right searched for is not found.

An example to illustrate the above could be a watchmaker wishing to market a designer watch. If he first wishes to find out whether his design is registered, he will basically have two options:

a) Searching the databases of registered designs and sector reviews published to date (these databases have self-evidently become easier to use and reduced the cost to nil), or

b) Hiring a professional specialising in industrial property to carry out that search because the professional has access to more reliable means, which is sometimes expensive and will not in addition yield results pro-

viding a one hundred per cent assurance that the design is not registered.

In both cases, although the task will obviously be easier for a professional, finding the previous design is rather difficult given how many registered designs of this kind of products there are, particularly in a sector in which all designs start off from the same basic parts, namely a case, a dial and the hands to tell the time.

In order to smooth out these problems, settled case law has required market players to have carried out a search for those rights at least on a reasonable efforts basis.

Although the law does not specify what efforts are required in the course of business, a market player shall be required to operate professionally using reasonable commercial efforts and, in this sense, players should logically be presumed to know who operates in their line of business and

what their competitors' products are, and competitors who regularly go to all fairs and shows are required to act with a minimum degree of responsibility, knowing sector magazines and being perfectly acquainted with market events, directly or through their sales network and their customers.

This preamble explains how, in accordance with the Law, the manufacturer and whoever first puts a product on the market (branded with a trade mark or embodying a patent or design, ...) who has not received extrajudicial notice of the infringement of a granted industrial property right is ALWAYS liable for damages and losses resulting from such infringement, which notice is essential only if whoever infringes is any link in the rest of a product's distribution chain until it reaches the end client.

Faced with the possibility of a Jud-

ge not understanding this discourse or of the rightholder being unable to prove that the defendant is the manufacturer of the product or the first to put it on the market, it is advisa-

ble to find and then inform the defendant in writing of the infringed right by proper means (official post office fax service, notary, ...) before taking action if the requests made in that notice should go unheeded.

Otherwise, if the Judge fails to understand that it is the manufacturer of the product or the first to market the same because:

a) The rightholder fails to prove one of those two requirements, which he has the onus of doing because it is he who must prove the events on which

his rights are based,

b) Or the defendant is actually able to prove that he is neither the manufacturer nor the first to market the product, the risk will be that the defendant will not be ordered to pay monetary compensation for the damages and losses caused before receiving such notice if, once it was served on him, the rightholder cannot prove that acts of infringement of the rights have subsequently occurred.

At best, the judgment will order the infringer of the right not to infringe the right in the future. That is all. And the rightholder shall have to bear the costs incurred in going ahead with the lawsuit (lawyer, court attorney, experts, court fees, ...), for where the ruling is only in part for the complaint, the defendant is not ordered to pay costs.

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PATENTS

Case Law

The effectiveness of European patents validated in Spain

The Supreme Court has recently in July 2012 handed down a judgment resolving a controversial issue that is hugely important to holders of European patents who apply to have them subsequently validated in Spain.

Specifically, the matter in issue was the reference date from which a European patent was to be deemed to take effect in Spain. Prior to this decision, that problem had been the subject of contradictory criteria in the case law of the Provincial Appellate Courts and Commercial Courts.

The Supreme Court has established, after this judgment, that the effectiveness of a European patent shall commence on the date on which the grant is published in the European Patent Bulletin.

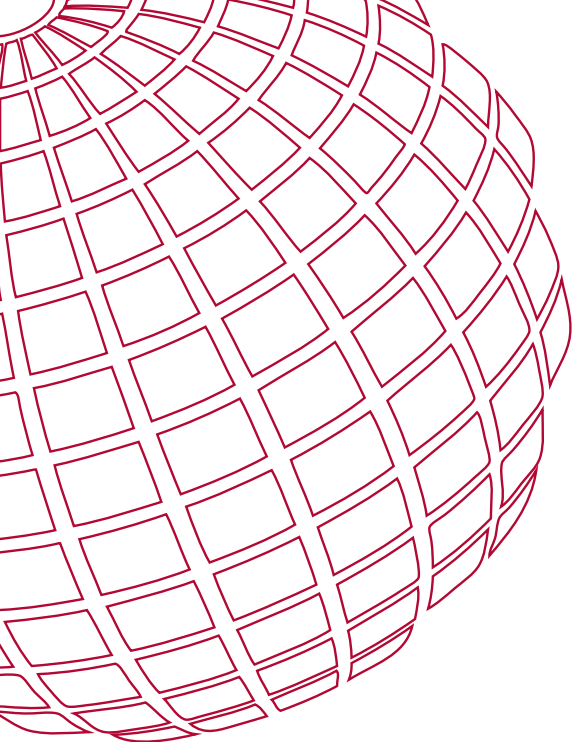
Therefore, there will henceforth be no debating as to whether the date to be borne in mind is the filing date of the fascicle of the Spanish translation of the European patent in the Spanish Patent and Trade Mark Office, or the date on which the Spanish Patent and Trade Mark Office publishes the translation into Spanish of the fascicle of the European patent.

We must consequently in the future be very attentive to the European Patent Bulletin because grants published therein shall signal commencement of the effectiveness in Spain for all holders of European patents applying to have the patents subsequently validated

in Spain, which circumstance is absolutely relevant, for instance, in order to consider the date from which to calculate the damages payable for patent infringement.

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