NEW BARCELONA IP COURTS

Since the beginning of this year, Barcelona is home to four IP specialized courts: two Trademark, Design and Copyright courts and two Unfair Competition courts. By the end of 2011, the General Council of the Judiciary agreed to confer this specialization to the former Commercial Courts and turned Barcelona into a pioneer city to host courts with this level of specialization in Spain. These are good news for IP owners and for the industry in general, as this decision will bring more legal certainty and consistency in those decisions rendered by IP courts. Barcelona has traditionally been one of the areas with more IP activity within the Spanish jurisdiction, and the users of the IP system have been demanding since long a higher specialization of our Commercial Courts in accordance with the number of cases heard every year.

SABADELLBANK.COM

Our client Banc de Sabadell, S.A., the fifth largest private Spanish banking group, has recently recovered the domain sabadellbank.com following the decision by the WIPO’s Mediation and Arbitration Center. The cybersquatted domain name was registered three years ago in bad faith by a Californian company who has been unable to prove any legitimate interest in this registration.

After the rising of Google, everyone predicted the decline of domain names. Accordingly, Internet users would no longer type the domain name and shift to the “magic” Google search box. However, the truth is that official figures show an increasing number of domain disputes being lodged every year: from 1000 a decade ago to more than 2000 last year. It seems that both individuals and companies are joining their voices to intone “long life to domain names!”

INTELLECTUAL PROPERTY DAY

Last April 26 was the official World Intellectual Property Day. The WIPO, the specialized IP United Nations Agency, organized a number of events, conferences and meetings around the world to raise awareness about the importance of IP in the evolution of Humanity. The motto of this year is “Visionary Innovators”, and wants to emphasize that behind every great innovation, either artistic or technological, there is a human story. Our firm is joining this celebration with the distribution of some copies of our 75th anniversary book Creation. If you wish to have yours, please get in touch with us!
As stated by the EU, the commercialisation of counterfeit and pirated goods does considerable damage to manufacturers and traders. Also to consumers, who can see their health and safety endangered. These goods should be kept off the internal market, but at the same time the measures to be taken should not disrupt the legitimate trade.

Regulation (EC) nº 1383/2003 is the basic and current regulation concerning custom enforcement of intellectual property rights. This Regulation has been developed by EC Regulation No.1891/2004 (amended by EC Regulation No. 1172/2007).

As it is known, a request for action shall be filed by the IP right holder. Once the IP owner has been notified that goods have been suspended for release, it must check whether these goods infringe its rights and, if so, start legal action within the next 10 working days (extendable by 10 more days). In practice, the criminal jurisdiction is more commonly used here due to the tight deadline for filing a legal action and to the lower costs involved. However, the civil jurisdiction is mandatory whenever the conditions of the Criminal Code are not fulfilled.

Alternatively, the IP right holder can use the “simple procedure” -implemented in Spain by Order EHA/2343/2006- when an agreement is reached by the parties to proceed with the destruction of the goods. The right holder will bear the costs unless there is an agreement to the contrary.

With the aim to improve the enforcement of IP rights, on May 30, 2011 the EU council published a new proposal for Regulation to replace the current Council Regulation (EC) No. 1383/2003. The Commission recalled that custom authorities should be able to provide a higher level of protection for IP rights.

The new regulation has a broader scope, including trade names, topographies of semi-conductor products and utility models; this is expected to increase the use of Customs actions among Spanish companies. It also includes the parallel importation of goods, which is now expressly excluded from customs IP right enforcement.

Another controversial proposal deals with procedures enabling customs to abandon goods for destruction. For counterfeit and pirated goods, the agreement to destroy the goods could be presumed if it has not been explicitly opposed. In other situations, i.e. patent infringement, the importer would have to agree explicitly to their destruction.

In some cases, IP owners have misused the system by preventing the release of goods with the knowledge that the goods were actually not infringing its rights, thus disrupting their competitors’ business with impunity. To ensure the protection of the interests of legitimate traders, the timelines for detaining suspect goods have been clarified, as well as the conditions for requesting destruction of the goods and specially the right of defence. It should be pointed out that the holder of the goods shall be given the opportunity to express his opinion before adopting the decision of suspension.

Regarding the costs of storage and destruction of the infringing products, the Regulation provides, as before, that the right holder must bear the costs unless there is a previous agreement with the other party. However, the IP rights owner may recover such costs in legal proceedings, which is not so easy in practice. However, there is a proposal to introduce an exception for small consignments, whereby the storage and destruction costs would be assumed by the customs authorities.

The proposal also deals with the security that the holder of the goods can provide to release the goods in case of a design, patent, utility model or plant variety infringement, stating that the customs shall set the security at an amount “sufficiently high” to protect the interests of the IP right holder. However, no clue is provided on how customs will calculate such amount.

Finally, a recent document from the EU council raised some questions as to whether custom authorities should play a more active role in IP enforcement and whether the proposal for a new regulation should include the ECJ findings in cases C446/09 and C495/09 (Nokia and Philips), particularly, upon which evidences should the custom authorities base their suspicion that goods in transit are intended to be put on sale in the EU and can be seized.

In any case, we expect that this proposal will become a more effective enforcement tool to fight against IP infringement.